

# **Annual Report** 1 July 2022 - 30 June 2023

For the year ended 30 June 2023 and Report by the Minister of Corrections on Non-departmental Appropriations for the year ended 30 June 2023





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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.

**Cover photo:** Pictured on the front cover is Alex, who started as a corrections officer before moving into a case manager role. She says "it's one of the most rewarding things, being able to make a difference in someone's life. We've got to make that difference with the future parents and grandparents, because those people are raising the next generation."

## 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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### Kupu Takamua

Kua whakaatu tō mātou tira, tata ki te 10,000 tāngata te tokomaha, i te ngaiotanga me te manawaroatanga inati i ngā marama 12 kua hipa. Hei rōpū whakahaere, i haere tonu ā mātou mahi whakahaere i tētahi taupori mauhere tuatini, i te taha hoki o te hunga tokomaha kei ngā hāmenetanga ā-hapori, i te wā hoki e mahi ana i te 24/7 ki te tiaki i ō tātou hapori.

Pērā ki ētahi atu rōpū whakahaere huhua o Aotearoa, he nui ngā wero i pā ki a mātou i te tau kua hipa, o te kimi me te pupuri ki ngā kaimahi aroākapa, ina koa i ō tātou whare herehere. I whakapakaritia e mātou ā mātou mahi rapu kaimahi hou hei urupare, otirā ko te hua o tērā, i kaha te piki o ngā kaitono mahi mō ngā tūranga Āpiha Whakatika, otirā he 2,948 ngā tono mai i te Oketopa 2022 ki te Pēpuere 2023. I tīkina hoki e mātou ētahi kaimahi 1,000 ki ngā tūranga aroākapa hei te 2022/23, otirā arā noa atu ngā kaimahi hou e kuhukuhu mai ana.

l whāia e mātou ētahi hatepe e haumaru tonu ai ngā kawenga mahi i ō tātou whare herehere tae atu ki te nuku haere i ngā mauhere hei whakatōpū i te taupori mauhere ki ētahi rohenga iti. Ahakoa nā tēnei i māmā ake ngā taumahatanga i runga i ngā kaimahi i ngā wāhi i pokea, ā, me te whakahaere tonu i ngā toronga ahakoa te āhua, ki te nuinga o ngā whare herehere hāunga te kotahi, he pānga tonu tō tētahi ki te kawenga whānui o te hōtaka mō te tau.

Ahakoa ēnei wero, i koke whakamua tonu ngā panonitanga mā tā mātou rautaki ā-whakahaere a Hōkai Rangi.

l uru ki tēnei te whanaketanga me te pānuitanga o te Mahere Mahi Whaikaha hou, ka āwhina ki te tautoko i ngā tāngata whaikaha katoa kei te whare herehere, e pai ai ō rātou putanga hauora, oranga hoki.

l pai hoki te koke whakamua o *Te Rautaki Wāhine* o *Wāhine – E rere ana ki te pae hou.* I tatū ētahi panonitanga hei urupare pai ake ki ngā matea ahurei o ngā wāhine i te whare herehere, ā, me te hunga hāmene ā-hapori. I uru ki tēnei te whakauru i ētahi hōtaka motuhake hou, ngā rōpū mahi ā-hapori wāhine anake, me ngā whakangungu whētuki mā ngā kaimahi.

l tīmata hoki te whakatinana i ngā pūmatawai tinana katoa e āhei ai ngā kaimahi ki te whakamahi i ngā hangarau hihi-X ki te kimi parakete me te kore e mate ki te whakahaere i tētahi rapunga wete kākahu. Ahakoa koinei tētahi anake o ngā utauta maha e wātea ana ki ngā kaimahi ki te ārai atu i te parakete e kuhu atu ana ki ngā whare herehere, koinei tētahi huarahi e whakaiti haere ana i ngā tūraru haumaru ki ngā kaimahi me te hunga kei rō whare herehere, me te tiaki anō hoki i te mana o te tangata i te wā o ngā tirohanga. Ki ōku whakaaro, e whakaatu ana tēnei i tō mātou āhei ki te whakahāngai i ā mātou tikanga mahi onāianei ki te takunetanga oranga o Hōkai Rangi.

I noho tonu ko te haumaru o ā mātou kaimahi āroākapa te aronga matua, ā, i mahi ngātahi mātou me ngā Pirihimana kia ngāwari ake ai te pūrongo i ngā haupatu kaimahi, i te wā hoki e tuku ana i ngā whakangungu whakawhiti kōrero rautata hei wāhanga o ā mātou mahi ki te whakaiti i te ririhau ki ngā kaimahi aroākapa i ngā whare herehere.

l whakarongo hoki mātou ki ngā whakahoki kōrero i ngā hoa rangapū, ngā rōpū mātai ā-waho pēnei i Te Kaitiaki Mana Tangata, otirā mātua rā te aro hoki ki ā mātou kaimahi. Hei uruparetanga, i tukua e mātou tā mātou marohitanga panoni a Hōkai Rangi - The Pathway Forward - Te Ara Whakamua, ā, i whakawhiti kōrero mātou ki ngā kaimahi, me te whakaū i te marohitanga i te Ākuhata 2023. Ka puta i tēnei ētahi panonitanga ki tō mātou anga ā-whakahaere, e āhei ai mātou ki te waihanga i tētahi pae whaihua ake hei kawe i a Hōkai Rangi, hei whakapai ake i te haumarutanga me te oranga o ā mātou kaimahi, ā, e āhei ai mātou ki te whakatutuki i ngā whāinga o te whakaiti i te mahi hara anō, te whakapai ake i te haumaru tūmatanui me te whakaiti i te tokomaha o te Māori kei rō whare herehere.

Ahakoa he nui ā mātou mahi i herea e te KOWHEORI-19, ā, me te tokoiti kaimahi, e tino manawanui ana ahau ki te anamata. Nā Hōkai Rangi mātou i whiwhi tūāpapa ai ki te koke whakamua, ā, ko ngā mahi kua oti kē i te tau nei he tohu o te pakari o ngā mahi a ngā kaimahi puta noa i te motu.

Nōku te hōnore nui ki te ārahi i tēnei tira, ā, e tino whakahī ana ahau ki tō rātou manawa-tītī ki te āwhina i te iwi ki te huarahi o te oranga me te tiaki i ō tātou hapori - ngā mihi maioha.

### Introduction from our Chief Executive

Our team of nearly 10,000 people has demonstrated extraordinary professionalism and resilience over the past 12 months. As an organisation, we continued to manage an increasingly complex prison population alongside a high number of people on communitybased sentences, all while operating 24/7 to keep our communities safe.

Like many organisations in Aotearoa New Zealand, the past year saw us face significant challenges recruiting and retaining frontline staff, especially in our prisons. We ramped up our recruitment efforts in response, and as a result saw a strong increase in the number of job applications for corrections officer roles, with 2,948 applications received from October 2022 to February 2023 alone. We also recruited nearly 1,000 people into frontline roles during 2022/23, with many more new recruits continuing to come through the pipeline.

We took steps to keep our prisons running safely and securely, including carrying out prisoner movements to consolidate the prison population into fewer units. While this helped ease pressure on staff at our most affected sites and allowed us to resume visits in varying forms at all but one prison, there was still an impact on our overall programme delivery for the year.

Despite these challenges, we continued to make considerable change through our organisational strategy, Hōkai Rangi.

This included developing and releasing a new Disability Action Plan, which will help support tāngata whaikaha Māori/disabled people in prison to experience improved health and wellbeing outcomes.

Our Wāhine – E rere ana ki te pae hou Women's Strategy continued to make good progress. We made changes to better respond to the unique needs of women both in prison and serving a community sentence. This included introducing new tailored programmes, women-specific community work crews, and trauma informed training for staff.

We also started implementing full body scanners to enable staff to use x-ray technology to search for contraband without the need to carry out a strip search. While one of many tools our staff have to prevent contraband entering our prisons, it is one that reduces the safety risks to staff and people in prison while also maintaining people's dignity when searches are carried out. To me, this clearly demonstrates our ability to align our existing operational practices with the wellbeing intent of Hōkai Rangi.

The safety of our frontline staff remained a top priority, and we worked alongside Police to make it easier to report staff assaults, alongside delivering tactical communications training as part of our work to reduce violence and aggression towards frontline staff in prisons.

We also listened to feedback from partners, external oversight bodies such as the Ombudsman, and most importantly our staff. In response, we released a proposal for change, Hōkai Rangi – The Pathway Forward – Te Ara Whakamua, which was consulted on with staff and finalised in August 2023. The outcome of this will bring change to parts of our organisational structure that will allow us to build a more effective platform for continuing our delivery of Hōkai Rangi, better improve the safety and wellbeing of our staff, and further enable us to achieve our goals of reducing reoffending, improving public safety and reducing Māori overrepresentation.

While a lot of our work has been constrained first by COVID-19 and then by staffing, I feel a huge amount of confidence about our future. Hōkai Rangi has given us the foundation to make the progress we have made to date, and what has already been achieved says a lot about the efforts of staff across the country.

It is a great honour to lead this team, and I could not be prouder of their constant commitment to helping people make positive changes in their lives and keeping our communities safe – ngā mihi maioha.



Jeremy Lightfoot Secretary for Corrections

**and Chief Executive** Te Tumu Whakarae mō Ara Poutama Aotearoa Who we are and what we do

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### Who we are

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

Around 89% of our people work on the frontline as corrections officers, probation officers, case managers, nurses, instructors, programme facilitators, psychologists, community work supervisors, and in many other roles.

Our purpose is to improve the wellness and wellbeing of people. This means we:

- care for the physical safety and mental wellbeing of **our staff** by giving them the training, tools and support they need.
- ensure the people we manage are treated humanely and are supported to address the causes of their offending alongside improving their physical, mental, and cultural wellbeing.
- make decisions that don't cause further harm to victims and do our job well to ensure the safety of our local communities.
- support whānau, where safe and appropriate, to be involved in a person's rehabilitation and reintegration.

### **Our strategy**

Our organisational strategy, Hōkai Rangi, builds on the work we are already doing but also recognises we need to do things differently to achieve better outcomes for the people we manage, as well as our staff and communities.

*Hōkai Rangi 2019-2024* helps us deliver on our three interconnected strategic goals to:



**Improve public safety:** We improve public safety through the management of safe and secure custodial facilities, liaison with Police, comprehensive risk assessment tools, electronic monitoring and, where necessary, civil detention.



**Reduce reoffending:** We provide rehabilitation and reintegration services to help people address the causes of their offending and build positive relationships with their whānau. By helping people break the cycle of reoffending, we also improve the safety of our communities.



### Reduce overrepresentation of Māori:

We, along with our partners, aim to reduce the overrepresentation of Māori in the corrections system. We cannot do this alone, and a joined-up approach across the justice sector and with the community is critical to addressing this disparity. Most importantly we must work closely alongside our Māori partners.

While Hōkai Rangi covers all areas of our work, it also explicitly expresses our commitment to delivering improved outcomes with and for Māori and addressing the overrepresentation of Māori in the corrections system. Central to this is reducing harm to people in prison, better responding to the needs of the individual and their whānau, and achieving better wellbeing and rehabilitation outcomes for the people we manage.

Hōkai Rangi was developed with Māori and incorporates te ao Māori worldview. Developing, maintaining, and growing strong relationships with Māori providers, iwi, and hapū is essential to delivering on this strategy, as well as our own uplift and understanding of being effective Te Tiriti o Waitangi partners.

This strategy represented a new way of thinking and working for Corrections, identifying six areas (shown below) where we could make change. These areas are helping us do things differently now but will also help us make bigger long-term changes to improve intergenerational outcomes.



### Hōkai Rangi contains 37 short-term, or 'do now' actions, of which 34 have now been substantively delivered.

Thirty had been substantively delivered prior to 30 June 2023, and progress on the delivery of the remaining seven actions was impacted by factors such as access to sites and staffing levels. Four of these seven actions have now been substantively delivered and progress on the three outstanding actions is underway.

Because our strategic focus is to deliver long-term change to the corrections system, we are not marking actions as 'completed' or 'closed'. In many cases, these actions will require ongoing effort throughout the duration of the strategy and beyond to sustain and embed change. We therefore mark actions as being 'substantively delivered' once the key work products have been delivered and are in use within the organisation.

You will see examples of progress made throughout this Annual Report, not only through our major projects such as Māori Pathways but also in our dayto-day work, some of which is demonstrated through our case studies.

By achieving this success, we have set the foundations for improvements to the corrections system, including redirecting resources to better invest in the safety, wellbeing, and capability of our staff.

### Hōkai Rangi – The Pathway Forward – Te Ara Whakamua builds a platform for the next phase of our strategy.

Since the launch of Hōkai Rangi in 2019, we have developed a clearer understanding of how our policies and processes should work from start to finish so we can deliver on the services we are expected to deliver.

As a result, we are now going through an organisational change programme, referred to as Hōkai Rangi – The Pathway Forward – Te Ara Whakamua. This change is designed to help grow our capability, enhance how we deliver our services, and support us to achieve our strategic objectives. Hōkai Rangi – The Pathway Forward – Te Ara Whakamua aligns with the insights we have received from partners, external oversight bodies such as the Ombudsman, and – crucially – our own people on what has worked well and what needs improving.

This represents the next phase of Hōkai Rangi and builds on the strong foundations we have already in place. Some of the changes are structural concentrating more decision-making authority in local leadership. Empowered local leadership will, in time, enable us to jointly commission services with our local partners that will make the most difference to whānau wellbeing. Other changes focus on the capability of our people and leaders, so they can lead the way in changing how we work and change under Hōkai Rangi.

The critical importance of the safety and wellbeing of our own staff is also clear. We need to prioritise a safe and well workforce to be able to deliver Hōkai Rangi – staff need the time, space, and capabilities to build positive connections with those they manage and their whānau, which in turn will create safer environments for all.

This will also provide an opportunity to review the ownership and scope of the remaining short- and medium-term Hōkai Rangi actions to ensure they are appropriately grouped, and that they sit in areas best placed to achieve the outcomes we need.



### **Our values**

### Our values reflect what is important to us and underpin everything we do.

They inform the changes we are making through Hōkai Rangi and guide how we make decisions, how we interact with people and our communities, and how we develop and deliver rehabilitation and reintegration interventions for people in our management and their whānau.



### Alongside our values, acting with integrity is essential in our work.

Because we work with people who have committed crimes and harmed communities, we must hold ourselves to a high standard and act with integrity, honesty, and professionalism. Our Code of Conduct describes the principles we operate by, and the standard of behaviour expected of all staff, contractors, consultants, and volunteers. This, combined with our human resources processes, ensures every one of us can be held to account for behaviour that falls short of expectations.





**89.0%** of our people work on the frontline



47.4%

of all leadership roles at Corrections held by women

### What we do

### **Our statutory remit**

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

First and foremost, we are governed by the Corrections Act 2004 and the Corrections Regulations 2005, which provide the legal framework for how we manage and operate the corrections system.

We are also governed by the Public Safety (Public Protection Orders) Act 2014, which allows us to manage very high risk people at a secure facility on prison grounds after they have completed a finite prison sentence.

We jointly administer two Acts with the Ministry of Justice – Tāhū o te Ture – the Sentencing Act 2002, which covers the sentencing process and the criminal sanctions available to the courts, and the Parole Act 2002, which covers the release of people from prison, and extended supervision orders.

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

### **Our core responsibilities**

The justice system is supported and administered by six organisations, collectively known as the Justice Sector: the Ministry of Justice – Te Tāhū o te Ture, New Zealand Police – Ngā Pirihimana o Aotearoa, Oranga Tamariki – Ministry for Children, The Serious Fraud Office – Te Tari Hara Tāware, Crown Law Office – Te Tari Ture o te Karauna, and us, the Department of Corrections – Ara Poutama Aotearoa.

The justice system starts with Police preventing and responding to crime, goes through to the courts where people are prosecuted and sentenced or acquitted, and then moves to Corrections where we manage people as directed by the courts. Day-to-day we are responsible for:

• Managing Aotearoa New Zealand's prisons. We are responsible for 18 prisons across the country, including privately-operated Auckland South Corrections Facility. We are committed to operating safe, secure and humane prison environments and ensuring people in prison are managed in accordance with legislation and the United Nations Standard Minimum Rules for the Treatment of Prisoners.

- Providing rehabilitation and reintegration support. We provide a range of services to assist with the rehabilitation and reintegration of people in prison, as well as support for people serving community-based sentences and orders. For more information see pages 74-97.
- Monitoring community-based sentences and orders. When a person is subject to a sentence or order in the community, our staff assist them with their rehabilitation and reintegration needs, support them to comply with their sentence or conditions, and monitor them to hold them to account if they breach their conditions. For more information see pages 59-67.
- Informing the courts, New Zealand Parole Board, and registered victims. We provide administrative and training support to the New Zealand Parole Board, which is an independent statutory body, separate from Corrections, as well as information and advice to both the courts and the Parole Board to help ensure well-informed decisionmaking prior to sentencing or the granting of parole. We also provide certain information to registered victims of offences, including notification of specific events relating to those who offended against them. For more information see pages 68-71.

We have close relationships with Te Puni Kōkiri – Ministry of Māori Development, Kāinga Ora – Homes and Communities, the Ministry of Social Development – Te Manatū Whakahiato Ora, the Ministry of Health – Manatū Hauora, Te Whatu Ora - Health New Zealand, Te Aka Whai Ora – Māori Health Authority, and other social sector agencies.

We also work with Oranga Tamariki – Ministry for Children to protect the safety and welfare of children and young people serving sentences, as well as young people who are in the lives of the people we manage.

### Legislation enacted in 2022/23

#### There was no legislation enacted in 2022/23 that directly related to Corrections.

However, in June 2023, Cabinet did agree to amendments to the Corrections Regulations 2005, which came into effect on 6 July 2023.

The changes relate to five areas to improve safety and operational outcomes in prisons:

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



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### Summary of sentences and orders we administer

This summary provides key information about each of the core sentences and orders administered by Corrections in 2022/23. The cost of each sentence and order is provided as a 'per person, per day' figure. These costs include overhead costs and revenue (excluding revenue from the Crown) where applicable.

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

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



		ble who have returned to Aotearoa N e of imprisonment overseas are mo	
Returning offenders orders	Average cost of:	Average volume:	Average length of order: <b>406 days</b>
	[2021/22: \$59]	[2021/22: 216]	[2021/22: 420]
	a probation officer. Th	released from prison on parole rem ey may also be electronically monito ditions imposed by the New Zealano	pred, and are subject to any other
Parole	Average cost of:	Average volume: <b>2,355 people</b>	Average length of order: <b>469 days</b>
	[2021/22: \$43]	[2021/22: 2,545]	[2021/22: 461]
	Intensive su	pervision is a rehabilitative, commu oversight from a probatio	
Intensive supervision	Average cost of:	Average volume: <b>4,576 people</b>	Average length of sentence imposed: <b>447 days</b>
	[2021/22: \$34]	[2021/22: 4,675]	[2021/22: 445]
		e completed a sentence of home de ons can include completing commu	
Post- detention conditions	Average cost of:	Average volume: <b>1,262 people</b>	Average length of order: <b>204 days</b>
	[2021/22: \$26]	[2021/22: 1,322]	[2021/22: 208]
	People who are serv	ing a prison sentence of two years o after serving half of their impos	
Post-release	Average cost of:	Average volume:	Average length of order:
conditions	► <i>\$</i> 26	2,135 people	345 days
	[2021/22: \$33]	[2021/22: 2,223]	[2021/22: 345]
	Supervis	ion is a rehabilitative, community-b oversight from a probation of	
	Average cost of:	Average volume:	• Average length of sentence imposed:
Supervision	\$25	6,885 people	287 days
	[2021/22: \$25]	[2021/22: 6,649]	[2021/22: 286]
		nity work sentences complete unpa naking reparations for the harm of t	
Community work	Average cost of:	Average volume: <b>11,088 people</b>	Average length of sentence for community work cannot be easily calculated due to the
	[2021/22: \$13]	[2021/22: 11,056]	complex nature of sentencing.



### We are part of the Justice Cluster

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

The Government has responded accordingly, establishing two cluster pilots in the lead-up to Budget 2022 as part of the work programme to modernise Aotearoa New Zealand's public finance system. The objectives of the cluster pilots include:

- ongoing collaboration around agreed priorities through joined up working to achieve better spending and outcomes
- managing within the Budget 2022 multi-year spending package
- improved performance reporting.

We are participating in the Justice Cluster pilot, along with four other Justice agencies (Ministry of Justice - Te Tāhū o te Ture, New Zealand Police - Ngā Pirihimana o Aotearoa, Crown Law Office - Te Tari Ture o te Karauna, and The Serious Fraud Office - Te Tari Hara Tāware). The Justice Cluster pilot has four key priority areas identified by Cluster Ministers with the goal of improving the performance of the criminal justice system, including the experiences of those who interact with it.

Although not part of the Justice Cluster, we also work with Oranga Tamariki – Ministry for Children to protect the safety and welfare of children and young people serving sentences, as well as young people who are in the lives of the people we manage.

An overview of the four key priority areas, and the significant cluster initiatives contributing to the achievement of them, is outlined in the following table.

Better Outcomes for Victims	Addressing Issues with Remand
The experience and needs of people who have been harmed have traditionally been overlooked by the justice system. Research confirms that victims often (but not always) come from the same complex backgrounds as offenders and can be in personal crisis at the time they interact with the system. The response to this challenge must recognise the experience and needs of victims throughout the entire system.	The number of people being remanded in custody and the average time they spend on remand has been on an upward trend, such that remanded prisoners account for 45% of the total prison population, even more so for women. Getting people started on a pathway to wellbeing early is important and the sector recognises that there are many opportunities early in people's contact with the justice system, which can help divert people away from prison or improve the chances of a shorter time there.
<ul> <li>Significant cluster initiative and respective lead agency:</li> <li>Victims of Crime: Improving Outcomes (Victims Strategy and Operating Model) – Ministry of Justice - Te Tāhū o te Ture</li> <li>Contributing to this work, Corrections' High Impact Innovation Programme is playing a lead role in the development of an operating model to transform victim experience of the criminal justice system. For an update on progress made in 2022/23 see page 72.</li> <li>Refer to the lead agency's annual report for an update on progress made in 2022/23.</li> </ul>	<ul> <li>Significant cluster initiative and respective lead agency:</li> <li>Criminal Process Improvement Programme – Ministry of Justice- Te Tāhū o te Ture</li> <li>Refer to the lead agency's annual report for an update on progress made in 2022/23.</li> </ul>
Improving Access to Justice	Better Enabled Organisations and Workforce
There are many reasons why justice can be hard to achieve, or where the pursuit of justice can cause further harm. Barriers can arise from the means or resources available to a person in the system (including access to lawyers through legal aid) and can also be issues within the system itself (for example a backlog of court proceedings). Some immediate challenges that delay or reduce access to justice for people currently, and in doing so can cause further harm, arise from court delays or inefficient and risky paper-based or manual court proceedings.	To deliver the outcomes desired in a future state criminal justice system, a focus will be to better enable agencies' frontline workforce to improve frontline capability. This will support achieving better safety and wellbeing for staff, including readiness, support, and training.
<ul> <li>Significant cluster initiatives and respective lead agency:</li> <li>Te Ao Mārama - Ministry of Justice- Te Tāhū o te Ture</li> <li>Te Au Reka (Caseflow Management) - Ministry of Justice- Te Tāhū o te Ture</li> <li>Strengthening Legal Aid - Ministry of Justice-Te Tāhū o te Ture</li> <li>Refer to the lead agency's annual report for an update on progress made in 2022/23.</li> </ul>	<ul> <li>Significant cluster initiatives and respective lead agency:</li> <li>Strengthening Corrections Frontline Safety and Improvement Programme – Department of Corrections - Ara Poutama Aotearoa (refer below)</li> <li>Improving the Safety of Frontline Police <ul> <li>New Zealand Police - Ngā Pirihimana o Aotearoa</li> </ul> </li> <li>Arms Safety &amp; Control – New Zealand Police <ul> <li>Ngā Pirihimana o Aotearoa</li> </ul> </li> <li>The Strengthening Corrections Frontline Safety and Improvement Programme initiative encompasses several different workstreams which aim to ensure the ongoing safety of Corrections' frontline staff, and to provide a supportive environment that facilitates healing and restoration.</li> <li>For an update on progress made in 2022/23 see page 43.</li> <li>Refer to the other lead agency's annual report for an update on progress made in 2022/23.</li> </ul>

### Significant budget initiatives

In addition to the Budget 2022 Justice Cluster significant initiative mentioned earlier, the table below outlines a number of other significant budget initiatives that are contributing towards achieving Corrections' strategic goals. More information on progress against each initiative is located elsewhere in this report as indicated.

Na	me of initiative	Budget year funded	Location of performance information	
	iori Pathways Programme (including Te Mana Wāhine Pathway): nded initiatives identified as the following):			
-	Kaupapa Māori services for wāhine	2021		
-	Improving Outcomes for Māori and their Whānau in the Corrections System and Supporting their Reintegration Back into Communities - Part A	2019	Pages 76-77	
-	Improving Outcomes for Māori and their Whānau in the Corrections System and Supporting their Reintegration Back into Communities - Part B	2019		
	<b>ikeria Prison Development Programme</b> nded initiatives identified as the following):			
-	Waikeria Prison Development - Enabling the Operation of Waikeria Site Through the Provision of Critical Infrastructure	2021	– Page 57	
-	Waikeria Prison Development - Enabling the Operation of the New Prison	2021		
-	Waikeria Prison Development - Enabling the Operation of the Waikeria Mental Health and Addiction Service	2021		
(fu	<b>using Support Services</b> nded initiative identified as Maintaining safe, effective housing, Support rvices and Community-based Reintegration Pathways)	2021	Page 95	
(fu	<b>il Support Services</b> nded initiative identified as Hōkai Rangi – Pre-Trial Service – providing early oport to lower number of people entering (or remaining in) custody)	2020	Page 37	

### Our Māori Crown relations

The Public Service Act 2020 recognises the importance of public service leaders in building and maintaining the capability of the public service to engage with Māori and understand Māori perspectives.

As part of our commitment to this, we have focused on two work programmes to support our leaders to build their own Māori Crown relations capability and that of their people:

Whāinga Amorangi phase one: Empowering people. Specifically, building capability in te reo Māori and Aotearoa New Zealand history and Tiriti o Waitangi literacy.

In 2022/23, leaders from across Corrections participated in leadership workshops delivered through a kaupapa Māori lens.

We also provided two two-day Te Tiriti o Waitangi analysis forums to improve the Aotearoa New Zealand/ Te Tiriti o Waitangi literacy of our senior leaders. We will be delivering four additional Te Tiriti o Waitangi analysis forums to our senior leaders in 2023/24.

**Māori language planning:** We are developing the Future of Learning work programme to improve the te reo Māori capabilities of our workforce and ensure we meet our Whāinga Amorangi obligations.

In 2023/24, we will support the development of phase two of Whāinga Amorangi planning by establishing processes to report and measure the success of the cultural capability learning opportunities offered across Corrections.

While we are fully committed to these programmes, the ongoing impact of COVID-19 on staff, systems, and processes has made it challenging to progress all our Māori Crown relations capability goals.





## <sup>Our</sup> **year at a glance**

2022 **\$198**m investment over four years to help keep frontline staff safe people recruited into frontline roles, with more 978 new recruits coming through volunteers and **39** kaiwhakamana supported **k**2**k** people in prison detector dogs helped protect people and prisons 26 from contraband full-time equivalent aftercare workers supported people to stay alcohol and drug free hours of face-to-face clinical contact delivered by 12,279 Improved Mental Health clinicians for people with mild-to-moderate mental health needs gender pay gap in favour of women nurses provided primary-level health services in 260 17 prisons 10,043 Official Information Act requests responded to, with 99.3% responded to on time 2023

# Our performance overview

### **Financial performance**

Our total operating expenditure for 2022/23 was \$2.0 billion, which was \$172.8 million higher than 2021/22, but 1.6% below our approved funding.

The year-on-year increase in expenditure was largely due to a combination of personnel costs with a 3% increase in the number of employees and the impact of frontline collective salary increases, demolition costs relating to Christchurch Men's Prison, transfer of software as a service from capital to operating expenses, and increased costs of electronic monitoring.

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

The below figure illustrates the sources of Corrections' revenue.



#### Figure 1: Revenue Trends

### Operating expenditure by appropriation

The main increase in funding during 2022/23 was a \$100.4 million increase in Prison-based Custodial Services to \$1,249.7 million, which mainly comprised development of the operating model and site commissioning, depreciation, and capital charge funding for the new facility at Waikeria Prison and additional investments in frontline workforce capability and safety.

Funding in the Reoffending is Reduced appropriation increased by \$24.3 million to \$346.6 million as we continue to increase our investment in strengthening rehabilitation and reintegration services to reduce reoffending.

The below figure shows our funded Departmental operating expenditure to 2026/27.

### Figure 2: Expenditure Appropriation Projections to 2026/27



- Services to the Judiciary and New Zealand Parole Board, providing Policy Advice and Ministerial Services
- Reoffending is Reduced
- Sentences and Orders Served in the Community
- Prison-based Custodial Services

### Operating expenditure by category

Seventy-five percent of our \$2.0 billion spend in 2022/23 related to personnel and asset ownership costs. Personnel costs were \$931.8 million in 2022/23, 46% 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.

In 2022/23, we recognised costs of \$5.0 million due to the direct impact of our COVID-19 response, predominantly personal protective equipment, and cleaning.

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

### Figure 3: Total Departmental Operating Expenditure by Major Expense Category



- Capital charge
- Finance costs

### Asset base

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

- \$5,032.0 million of property, plant, and equipment
- \$13.2 million of assets related to prison-based employment activities, including farming
- \$35.8 million of intangibles (software) including offender management systems
- \$62.3 million of derivative financial instruments (interest rate swaps with the New Zealand Debt Management Office).

Depreciation and amortisation, capital charge, and finance costs represent 21% of our 2022/23 operating expenses.

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

### Capital expenditure

Actual expenditure in 2022/23 was \$92.9 million lower than 2021/22, mainly due to the completion of the Modular Build Programme in 2021/22.

Actual expenditure was \$182.9 million lower than Budget, and \$116.1 million lower than the Supplementary Estimates, this was primarily the result of a reduction in Net Present Value of the Waikeria Prison development PPP assets following the revised completion date, and the timing of payments to the PPP partner and their sub-contractors, associated with the Project Support agreement at Waikeria Prison signed in April 2023.

### Service performance

### Non-departmental appropriation

We received an appropriation of \$0.7 million for this financial year to facilitate infrastructure improvements relating to the development of Waikeria Prison. Actual expenditure for 2022/23 was \$0.02 million (excluding GST), with the underspend attributable to delays in the final resealing of the State Highway 3 overpass.

Corrections' service performance information is spread throughout several sections of the Annual Report, and can be located on the following pages:

- Our performance overview
  - » Service performance pages 25-28
  - » Measuring our impact on reoffending pages 30-33
- Our contributions to priorities and delivery of outcomes - pages 35-97
  - » Our organisational health Managing our assets effectively - pages 112-114
- Our advice and support to the Minister of Corrections - page 125
- Our external assurance and oversight
  - » Office of the Inspectorate Te Tari Tirohia
     pages 131-132
- Appendix one: Rehabilitation Quotient

   pages 201-202
- Appendix two: Recidivism Indices pages 203-207
- Report by the Minister of Corrections on Nondepartmental Appropriations - page 223.

### **Basis of preparation**

The service performance information for the year ended 30 June 2023, including comparatives, has been prepared in accordance and complies with Public Sector Public Benefit Entity (PBE) Accounting Standards – Tier 1, which have been applied consistently throughout the period.

Outputs are specified in the Estimates of Appropriations 2022/23 and the Supplementary Estimates of Appropriations 2022/23 for Vote Corrections.

### **Reporting judgments**

Performance measures have been selected for activities under each appropriation for Vote Corrections, which measure the performance of various important aspects of Corrections services. Corrections measures our impact on reoffending at a high level, by the Rehabilitation Quotient (RQ), the Recidivism Indices (RI) and the Reoffending Seriousness Measure<sup>1</sup> as set out in the Statement of Intent 2022-2026. The RQ assesses the effectiveness of our rehabilitation programmes using reoffending outcomes. It measures the extent to which programmes reduce reoffending by comparing the differences in rates of resentencing and reimprisonment of people who participated in a programme with the rates of similar people who did not participate in that programme.

The RI measures the percentage of people who are resentenced or reimprisoned within a given period after being released from prison, or after commencing a community-based sentence.

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

The appropriation level measures together with the impact measures Corrections uses, are consistent and clearly linked to Corrections' strategic goals.

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

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

Key judgments include those relating to sample size, control composition, data quality standards and statistical processes. For more information on our impact measures, including the calculation approach, see pages 30-33, and Appendix one.

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

This includes the extent to which consultation with users influenced the performance information, the extent to which qualitative characteristics and pervasive constraints influenced performance information, as well as the impact of external events such as COVID-19.

Other judgments include those made in determining the cost of outputs, these can be found within the cost allocation accounting policies in Note 1 to the Financial Statements on page 163.

### Estimates of appropriations performance measures

The table below provides a high-level summary of our performance against the expectations set out in the Estimates of Appropriations 2022/23 and the Supplementary Estimates of Appropriations 2022/23 for Vote Corrections.

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. <b>Category: Sentences and Orders Served in the Community</b> This category is limited to the management and delivery of sentences and orders served in the community, and electronic monitoring of people on bail. This category is limited to the provision of information and Administrative Services to the Judiciary and 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. Corrections to manage people in custody in a way that enhances their wellbeing and supports them upon release to not return to the judiciary and New Zealand Parole Board. Corrections to manage people in custody in a way that enhances their wellbeing and supports them upon release to not return to the judiciary and New Zealand Parole Board. Corrections to manage people in custody in a way that enhances their wellbeing and supports them upon release to not return to the judiciary and New Zealand Parole Board. Corrections 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	Appropriation/ category scope	What is intended to be achieved	Performance measures achieved	Location of performance information
community-based services and orders, and people on remand (either awaiting trial or convicted but not yet sentenced) in a manner so as to improve the safety of offenders, staff, victims and the public. <b>Category: Prison-based Custodial Services</b> This category is limited to the provision of custodial services, including under long-term service contracts and Public Private Partnerships, for offenders lawfully required to be detained in custody and remand prisoners. <b>Category: Sentences and Orders Served in the Community</b> This category is limited to the management and delivery of sentences and orders served in the <b>Community</b> and the ability for offenders to be held to account for successfully completing their sentence or order. <b>Category: Information and Administrative Services to the Judiciary and the</b> New Zealand Parole Board and the provision of information about of faministrative, financial and secretariat services to the New Zealand Parole Board. <b>This category is intended to provide cores serves to the management</b> , and sporle hor witims regarding the outcomes of the judicial process, to enhance	Public Safety is Improved	(MCA) <sup>2</sup>		
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 limited to the management and delivery of sentences and orders served in the community and the community, and electronic monitoring of people on bail. This category is limited to the provision of information and Administrative Services to the Judiciary and the New Zealand Parole Board. This category is limited to the provision of information about of administrative, financial and secretariat services to the New Zealand Parole Board.	community-based sentences and or	rders, and people on remand (either awa	aiting trial or convi	
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. <b>Category: Sentences and Orders Served in the Community</b> This category is limited to the management and delivery of sentences and orders served in the community, and electronic monitoring of people on bail. This category is limited to the provision of information and Administrative Services to the Judiciary and 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. Corrections to manage people in custody in a way that enhances their wellbeing and supports them upon release to not return to the judiciary and New Zealand Parole Board. Corrections to manage people in custody in a way that enhances their wellbeing and supports them upon release to not return to the judiciary and New Zealand Parole Board. Corrections to manage people in custody in a way that enhances their wellbeing and supports them upon release to not return to the judiciary and New Zealand Parole Board. Corrections 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	Category: Prison-based Custodial	Services		
This category is limited to the management and delivery of sentences and orders served in the community and the ability for offenders to be held to account for successfully completing their sentence or order. <b>Category: Information and Administrative Services to the Judiciary and New Zealand Parole Board</b> This category is limited to the provision of information about offenders to victims of crime, the Judiciary and the New Zealand Parole Board and the provision of administrative, financial and secretariat services to the New Zealand Parole Board. This category is low to the New Zealand Parole Board. This category is 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	including under long-term service contracts and Public Private	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		Pages 42, 46 49, 55, 58 131-132
This category is timited to the management and delivery of sentences and orders served in the community, and electronic monitoring of people on bail.safe management of sentences served in the community and the ability for offenders to be held to account for successfully completing their sentence or order.Page 60Category: Information and Administrative Services to the Judiciary and 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.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 enhanceZ266 Core ServicesPage 60	Category: Sentences and Orders Se	erved in the Community		
This category is limited to the provision of information about offenders to victims of crime, the Judiciary and the New Zealand Parole Board to enable informed sentencing and parole decisions to be made in a timely manner including notification to of administrative, financial and secretariat services to the New Zealand Parole Board.	sentences and orders served in the community, and electronic	safe management of sentences served in the community and the ability for offenders to be held to account for successfully completing		Page 60
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. core services to the Judicial process, to enhance core services to the Judicial process to the	Category: Information and Adminis	strative Services to the Judiciary and N	ew Zealand Parol	e Board
Tendoktative odteomeo.	offenders to victims of crime, the Judiciary and the New Zealand	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		Pages 68-69, 71
Actual expenditure for the MCA was \$1,684.5 million (2021/22: \$1,537.0 million) which was \$25.6 million	higher than Budget (2022/23: \$1,65	8.9 million), primarily due to inflationary s, and facilities and systems costs. Addit	v cost increases, ir	ncluding

salaries, offender-related expenses, and facilities and systems costs. Additionally, there were expenses not initially accounted for in the budget, such as the costs associated with software as a service projects, an increase in capital charges resulting from gains in the fair value of derivatives, and demolition expenses. These costs were partially offset by Waikeria Prison development project underspends. Actual expenditure was \$7.9m below Supplementary Estimates for 2022/23.

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

Appropriation/ category scope	What is intended to be achieved	Performance measures achieved	Location of performance information
Reoffending is Reduce	ed		
This appropriation is limited to the provision of rehabilitation interventions, reintegration and support services to people in Corrections' management, defendants on bail, and their whānau, to address the underlying causes of criminal offending and reduce reoffending.	This appropriation is intended to achieve a reduction in reoffending rates by focusing on the wellbeing of those lawfully required to be detained in custody and their whānau. It provides for the timely assessment of the rehabilitative and reintegrative needs of people in our management and their whānau as well as end-to-end bail support for defendants. This appropriation ensures identified offender and defendant needs are addressed through culturally appropriate and whānau-centred wellbeing interventions.	2/6 ACHIEVED	Pages 75, 79 87-88, 97
Budget (2022/23: \$387.1 milli reintegration services, in part	6 million (2021/22: \$322.2 million) which was on), mainly due to delays in the planned roll-o icular in Housing Support Services, Māori Pat ctual expenditure was \$25.2m below Supplem	ut of some rehabil hways Programme	itation and e and Special
	isterial Services (MCA) <sup>2</sup>		
The single overarching purpo	se of this appropriation is to provide policy adv sision-making and other portfolio responsibility		oort to Ministers
ministerial requests and part of service. It also allows Corr decision-making by Ministers Category Appropriation provide provided to government and t	I to enable Corrections to respond to amentary questions with a high standard ections to provide policy advice to support on Government policy matters. This Multi- les core services to coordinate information he public as well as developing policy that y outcomes for New Zealand communities.	1/1 ACHIEVED	Page 125
Category: Policy Advice			
This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters.	This category is intended to provide meaningful advice and the development of robust policy that enhances service delivery and to contribute to the development of effective criminal justice legislation. This category also ensures that service activities intended to reduce reoffending are effectively evaluated and that information regarding those evaluations is available to inform decision- making.	2/2 ACHIEVED	Page 125
Category: Ministerial Service	25		
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.	3/3 Achieved	Page 125

Actual expenditure for the MCA was \$7.2 million (2021/22: \$6.4 million) which was \$1.1 million higher than Budget (2002/23: \$6.1 million), mainly due to growth over the last twelve months in sector-wide activity, inquiry support, and secondary policy advice. Actual expenditure was \$1.1m below Supplementary Estimates for 2022/23.

Appropriation/ category scope	What is intended to be achieved	Performance measures achieved	Location of performance information
Department of Corrections	Capital Expenditure (PLA) <sup>3</sup>		
This appropriation is limited to the purchase or development of assets by and for the use of the Department of Corrections, as authorised by section 24(1) of the Public Finance Act 1989.	This appropriation is intended to achieve renewal and replacement of assets in support of the provision of Corrections outputs. Corrections has a capital programme of work that is focused on upgrading its assets, providing resilience to respond to changing demand and service needs, and establishing a safe and more humanising and healing environment.	3/6 ACHIEVED	Page 11:
(2022/23: \$405.1 million), primarily t development PPP assets following th partner and sub-contractors, associa	on (2021/22: \$315.1 million) which was \$ he result of a reduction in Net Present V he revised completion date, and the timin ated with the Project Support Agreemen 5116.1m below Supplementary Estimates	alue of the Waike ng of payments to t at Waikeria Prise	ria Prison the PPP
Transfer of Three Waters A	Assets		
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.	O/1 Achieved	Page 11
facilitate the transfer of Three Water	ere both Nil. Funding was approved in the rs Assets at Auckland Prison to Watercar r due to further delays in finalising the c ransfer funding to 2023/24.	e Services Limite	d, however, no
Waikeria Corrections and 1	Freatment Facility <sup>4</sup>		
This appropriation is limited to infrastructure improvements that are either a condition of the designation or otherwise necessary to enable the development of the Waikeria Corrections and Treatment Facility.	This appropriation is intended to achieve infrastructure improvements necessary to enable the development of the Waikeria Prison Development including the Waikeria Mental Health and Addiction Service Facility.	1/1 ACHIEVED	Page 22
Funding of \$0.7 million was approved	was \$0.02 million (2021/22: \$0.02 million d in the Supplementary Estimates, howe ealing of the State Highway 3 overpass.		
'ID-19, staffing, and an increasingly c hths because of a concerted effort to	ess towards our goals in the face of unpre complex prison population. Despite opera recruit, retain and train staff, these chall arly within the prison environment at so	ating conditions in lenges continue to	nproving in rec p impact our

The impact of these challenges on our performance measures is notably evident in the Reoffending is Reduced appropriation and Information and Administrative Services to the Judiciary and New Zealand Parole Board appropriation category.

- PLA Permanent Legislative Authority. PLAs are appropriations granted in Acts other than an Appropriation Act. PLAs are 3. provided in limited and particular circumstances, such as where approval is needed for spending of a technical nature, such as departmental capital
- Performance information for Non-departmental Other Expenses is reported in the Report by the Minister of Corrections on 4. Non-departmental Appropriations on page 223.



### Rehabilitation Quotient (RQ)

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

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

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

After the 12-month follow-up period ends, Corrections waits three months before preparing the RQ results. This allows more time for any reoffending that occurred during the follow-up period to progress through the courts. Only after this period ends can Corrections calculate the reimprisonment and resentencing rates of intervention participants and compare them with non-participants. The scores assigned to each intervention represent percentage point reductions in reimprisonment or resentencing. For example, if the resentencing rate of a specific intervention's participants was 30% and the equivalent rate for non-participants was 35%, the RQ would be -5.0%. A negative score means the intervention successfully reduced the rate at which participants were resentenced for new offences during the follow-up period compared to non-participants.

For historical results, please see Corrections' previous Annual Reports: <u>https://www.corrections.govt.nz/resources/strategic</u> reports/annual-reports

### 2022/23 results

Most of the interventions evaluated for the 2022/23 RQ recorded reductions in reimprisonment and resentencing rates, with statistically significant results evident across five of the 14 prison and communitybased initiatives evaluated through the RQ.

The 2022/23 RQ measures the impact of interventions that were completed in the three years up to 31 March 2022. The follow-up period extends to 31 March 2023. Both the delivery timeframe and the follow-up period include years in which COVID-19 lockdowns were in place and both programme delivery and reoffending measures have been impacted. The results do not reflect more recent improvements in intervention design and delivery made since March 2022.

#### **Prison interventions**

As has been the case for the last 10 years, the Special Treatment Unit – Violent Offending programme continues to generate the strongest effect sizes. This year's results indicate that resentencing was reduced by 13 percentage points, while reimprisonment rates reduced by 9.4 percentage points. This year's results are consistent with last year.

Other results for prison-based programmes did not reach the level of statistical significance.

### **Community interventions**

Most community programmes reported reductions in reoffending, with most showing at least one significant result. As was the case last year, the Women's Short Rehabilitation Programme achieved the strongest result, with resentencing rates reduced by six percentage points. In terms of reduced imprisonment, the Medium Intensity Rehabilitation Programme for men delivered the strongest results, reducing imprisonment by just under five percentage points. The Men's Short Rehabilitation programme was found to reduce imprisonment by 3.4 percentage points, while the Non-Violence Programme for Female Perpetrators of Family Violence reduced imprisonment by 1.2 percentage points.

See Appendix one on pages 201-202 for the full table of results.

### Recidivism Indices (RI)

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

Not all offending in the 12- and 24-month periods resulting in imprisonment or a sentence administered by Corrections is able to be included. In some cases the sentence is imposed a long time after the end of the 12- or 24-month period. To ensure the majority of reoffending is captured more time is allowed to enable a higher proportion of sentences imposed for offending within the 12- or 24-month periods to be picked up. The 12 month indices include sentences imposed within 15 months of release or sentence commencement. The 24 month indices include sentences imposed within 27 months of release or sentence commencement.

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

The graphs are organised by the period of time in which the person was released or started a community sentence; the time periods run for 12 months from 1 April to 31 March. For the 24-month measures the last data point is the year ended 31 March 2021 and for 12 months the year ended 31 March 2022.

These results in Figures 4 and 5 are calculated using an improved methodology developed in 2019/20, and thus do not match those published prior to that date. Overall, the 12- and 24-month recidivism results for people released from prison, and people who started community sentences over the last ten years, reveal a downward trend in levels of recidivism. The resentencing rates for those released from prison and those starting community sentences are the lowest since 2010.<sup>5</sup>

Caution is needed when interpreting these figures. The last three years' results have been affected by the COVID-19 pandemic. Successive lockdowns and service interruptions have reduced opportunities for reoffending, altered police resource allocation, and further increased the time taken for cases to progress through the courts. These factors are likely to have played a significant role in the drop in recidivism levels.

In addition, over the last five years the number of people in prison and on community sentences has dropped, contributing to a significant change in the composition of both populations. Change in the underlying populations (for example, the drop in the number of people in prison on short sentences under two years) will have affected recidivism levels. More time is required to reliably assess the long-term impacts of compositional changes on recidivism levels.

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

For a detailed view of the most recent Recidivism Indices, see Appendix two on pages 203-207.

5. Earlier comparisons are invalid; 2010 is the first full year with a full complement of the new community detention, intensive supervision and home detention sentences introduced in late 2007. The change also affected recidivism rates for prison releases due to a shift of people away from short terms of imprisonment to home detention and to a lesser extent to community detention and/or intensive supervision.



Figure 4: 12- and 24- month resentencing and reimprisonment rates for people released from prison in the years ending 31 March 2012 to 2022





### **Reoffending Seriousness Measure**

The Recidivism Indices measure whether someone was 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 take into account the extent of the reoffending. The reoffending seriousness score is a proximate measure of the average seriousness of people's reoffending.

The reoffending seriousness measure is calculated using offence-based scores from the Justice Sector Seriousness Score. The Justice Sector Seriousness Scores are 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. The Justice Sector Seriousness 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.

In 2022/23, the Reoffending Seriousness Measure for people released from prison was 308.9 [2021/22: 332.8] while reoffending by people on a communitybased sentence or order had a seriousness score of 190.0 [2021/22: 184.1]. Figure 6 below shows the reoffending seriousness measure for prison and community-based sentences over the past 10 years.



### Figure 6: Seriousness of reoffending measure from 2013/14 – 2022/23

# Our contributions to priorities and delivery of outcomes



**Operating safe prisons that meet the needs of the prison population** 

PHLEBOTOMY

### Managing the needs of a changing prison population

#### Corrections does not determine whether a person is sentenced or remanded in prison – that is decided by the courts.

But when someone enters prison, we have a duty of care to ensure they are managed safely, treated humanely, and have the opportunity for rehabilitation and successful reintegration.

Crucially, this means working hard to ensure that no one is harmed or further traumatised in the course of our work. There are a range of dynamic factors that influence the prison population, including the number of arrests, court decisions, releases, and seasonal trends.

On 30 June 2023, the total prison population was 8,610. This is an increase compared to June 2022. In March 2018, the rate of imprisonment was 216 per 100,000 of the population.<sup>6</sup> On 30 June 2023, the rate of imprisonment was 165 per 100,000, a 24% reduction over five years.



### Figure 7: Prison population trend

### There has been an increase in the remand population

People remanded in custody come into prison with a variety of factors contributing to the risk they pose in the community. These factors can result in the decision to be remanded in custody and not remanded on bail.

Prisons were traditionally built for a remand population of around 15% of the prison population. However, remand prisoners made up 44% of the onsite male prison population [2021/22: 40%], and 55% of the women's onsite prison population at 30 June 2023 [2021/22: 50%].

Through the High Impact Innovation Programme, we continued to support cross-agency initiatives that address pressures on the remand population and contribute to a safer and more efficient justice system. This includes the Bail Support Service (see page 37), alongside initiatives such as the Remand Action Plan (see page 73).

The 2018 imprisonment rates were originally calculated using the September 2017 quarter Stats NZ - Tatauranga Aotearoa population estimates. The 2018 reimprisonment rate (218) has been restated using the March 2018 Stats NZ - Tatauranga Aotearoa population estimates.


#### Figure 8: Our changing prison population (as at 30 June)

### Hōkai Rangi - Pre-Trial Service (Bail Support Services)

The Bail Support Service (BSS) aims to strengthen and ensure the timely submission of bail applications, alongside supporting people who are eligible for bail with unmet needs by linking them with social service providers to help them achieve safe and sustainable bail.

In 2022/23, we implemented BSS in three districts – the Waikato, Southland/Otago and the East Coast (Hawke's Bay and Tairāwhiti). In Otago, Southland, Hawke's Bay and Tairawhiti, the services are delivered in collaboration with Māori. In Otago, BSS collaborated with A3 Kaitiaki Ltd., a subsidiary organisation of Te Rūnaka o Ōtākou. To deliver BSS in Southland, BSS collaborated with a subsidiary of Te Runaka o Waihōpai, Waihōpai Hauora Trust Ltd. In the East Coast, BSS also collaborated with Ngāti Kahungunu Iwi Inc (NKII) and Te Tumuwhakahaere o Te Wero (Te Wero) in the Hawke's Bay and Tairāwhiti respectively to deliver the service.

People engaged in the service are more likely to achieve bail, have better sentencing outcomes, and improve their reintegration chances due to the positive changes the service supports them to make while on bail. They are also less likely to breach their bail conditions or be further charged while on bail, which contributes to a reduction in reoffending and therefore improved public safety.

Additionally, through achieving sentencing outcomes where people enrolled in BSS are more likely to receive a community-based sentence, the harm experienced by people in custody is potentially reduced. Being managed in the community has a potential flowon for positive wellbeing effects by enabling and maintaining connections with whānau, employers, and society.

In 2023/24, we will implement BSS in Rotorua/Taupō and Manawatū. We will also be completing project evaluations in Manukau, Christchurch, Kaitaia, Te Tai Tokerau, and Tairāwhiti to understand to what degree the local services are working and how we can improve these services.

### People enrolled in BSS were:



### Hōkai Rangi expresses our commitment to delivering better outcomes for Māori and their whānau

We acknowledge that the overrepresentation of Māori in the justice system is one of the most significant challenges we need to address. We must also acknowledge that it takes time and resources to make changes to what Corrections can control to a societal system that has traditionally delivered inequitable outcomes for Māori.

We are seeing some progress. In March 2018, the number of Māori in prison was 5,346. On 30 June 2023, there were 4,487 Māori in prison. This means that, on 30 June 2023, there were 859 fewer Māori in prison, compared to the peak in March 2018, which is a 16% reduction over five years.

In addition, the imprisonment rate for Māori in March 2018 was 651<sup>7</sup> per 100,000 compared with 491 per 100,000 on 30 June 2023, a 25% reduction over five years.

Resentencing and reimprisonment rates for Māori are also improving. From 2014/15 to 2021/22 the 12-month resentencing rates decreased from 45.7% to 36.2% (a 9.5% reduction) while the 12-month reimprisonment rates for Māori decreased from 29.2% to 23.9% (a 5.3% reduction) in the same period.

Despite the challenges of working through the COVID-19 pandemic, and more recently staffing pressures, we have remained committed to delivering on Hōkai Rangi and reducing the overrepresentation of Māori in the corrections system. This includes our work through our Māori Pathways Programme, which you can read about on pages 76-77.

# We remained committed to providing gender and culturally responsive environments

Research shows that tailoring services to be responsive to the needs of women achieves better outcomes for them, and ultimately a reduction in reoffending and overrepresentation of women in the corrections system.

Women make up 5.6% of the onsite prison population and 18.7% of people serving community sentences and orders. As of 30 June 2023, 476 women [2021/22: 438] were in our three women's prisons, with approximately 55% on remand. Approximately 67% of women in prison identify as Māori compared to 52% of men.

Our Women's Prison Network Improvement Programme, a short programme that identified and implemented improvements in the way we manage women, was completed in June 2022. This established a platform for significant changes to be delivered through our Women's Strategy, *Wāhine - E rere ana ki te pae hou*, and our Te Mana Wāhine Pathway in Canterbury.

### Over the past year, we made considerable progress for women and staff under the Women's Strategy

#### This included:

• Strengthening our policies and guidance and provided greater support for women.

To ensure that our approaches respond to the unique needs of women and are culturally responsive. This included making practice enhancements to better support mothers with babies in prison, taking a more holistic and proactive multi-disciplinary practice approach to support women classified as, or on the pathway to, maximum security, supporting women on bail through increased bail support officers with a dedicated focus on women, and providing greater support to prepare for New Zealand Parole Board hearings.

 The 2018 imprisonment rates were originally calculated using the September 2017 quarter Stats NZ - Tatauranga Aotearoa population estimates. The 2018 reimprisonment rate (657) has been restated using the March 2018 Stats NZ - Tatauranga Aotearoa population estimates.

- Increasing our support for women through the establishment of a dedicated psychological services team at Christchurch Women's Prison and revising the Kimihia programme. We are now in the process of establishing a team at Auckland Region Women's Corrections Facility (see page 82).
- Making practice changes to better respond to the unique needs of women serving a communitybased sentence. This includes changes such as the introduction of new tailored programmes, women specific community work crews, women's practice networks, and trauma informed training for staff.
- Continuing to enhance gender-specific assurance across the women's prison network to improve visibility and information flow by embedding an Interim Assurance Tool. The tool focused on key practice areas, is completed monthly, and sent across all three women's sites in order to share learnings, support continuous improvement, and provide opportunities for consistent responses to practice enhancements.

A key element of our Women's Strategy is supporting our staff to work in ways that respond to the unique needs of women, with a particular focus on wāhine Māori. This focus on staffing capability and capacity has led to the research and design of a Learning and Development Pathway and Support Framework for custodial staff working in a women's prison.

This will achieve better outcomes by providing custodial staff increased understanding of the women they work with, and how to engage in gender responsive, trauma informed, and culturally responsive ways.

We also continued to support women through our Mothers with Babies Units, which accommodate women with children under the age of two in each of our women's prisons.

As part of our commitment to children, young people, and families, we had an action in the Oranga Tamariki Action Plan (which delivers on the outcomes set out in the Child and Youth Wellbeing Strategy – see page 41 for more information) to 'enhance local relationships between the women's prisons and their local Oranga Tamariki – Ministry for Children sites to support better outcomes for mothers and babies in the Corrections' Mothers with Babies Units and feedings and bonding spaces.'

As part of this, we supported Oranga Tamariki – Ministry for Children staff to grow awareness and knowledge of the Mothers with Babies Units, including a site visit to Arohata Prison.



## Case study: Women on comunity work in Hamilton thrive with women's only crew



#### Women participating in community work in Hamilton have been thriving thanks to a women's only crew set up by Community Corrections staff.

Supervisors and senior frontline staff proposed the idea of a women's-only crew after noticing the impact mixed-gender crews had on attendance. "Women working with Corrections often present with trauma, family harm, and mental health issues, and mixed gender crews can present a barrier to attendance," says Service Manager for the Hamilton Community Work Team Natalie Frew.

"A women's-only crew, led by female staff, provides a supportive environment, where women can feel safe and comfortable completing their community work hours."

The crew is made up of women who struggle to attend mixed-crew sessions, and runs every second Tuesday between 9am and 2pm, to accommodate school hours.

The same women attend each session, and this consistency allows relationships to be developed.

"This work is based upon our Women's Strategy values of Tautoko, and Whānau and whanaungatanga," says Natalie. "Staff are able to build strong working relationships with the women they are working with and engage in a mana-enhancing and empowering way."

The crew have worked on a variety of sites in the Hamilton community, including the community gardens at Ruakura. The team plans to pilot weekly sessions going forward. In the future, the team will be looking to assign the crew to projects that align to the women's values.

This includes initiatives such as building picnic tables for the local kindergartens, as many of the women have children or are caregivers. Working with community groups that offer services suitable for the women in the crew encourages the women to reach out for support through developing trusting relationships with the providers.

### We supported young people in our management in line with the Child and Youth Wellbeing Strategy

The Government launched its first Child and Youth Wellbeing Strategy on 29 August 2019. The strategy outlines a shared understanding across Government about what is important to the wellbeing of children and young people, what we are doing to improve their wellbeing, and how others can help us in this journey. It can be viewed at: <u>https://childyouthwellbeing.govt.nz/resources/child-and-youth-wellbeing-strategy</u>

We are committed to ensuring the safety and wellbeing of young people in our management and have a youth champion network of approximately 300 staff members to support this.

These people work with young people coming into the corrections system, including supporting youth to achieve their goals, gain employment skills and educational qualifications, complete rehabilitation programmes, and establish healthy support networks in the community. Our youth champions also facilitate youth-specific opportunities such as participation in the Young Enterprise Scheme.

We have a framework for the management and wellbeing of people under 25 years, which is directly aligned to both the Child and Youth Wellbeing Strategy and Hōkai Rangi. It prioritises: identity and belonging; continuity of care; access including educational opportunities, rehabilitation programmes, and reintegration services; reducing harmful influences and escalation; and imprisonment as a last resort.

We also work with Oranga Tamariki – Ministry for Children to facilitate smoother transitions between youth justice residence and prison custody, and to increase access to the Transition Support Service which supports young people in the justice system and statutory care to successfully transition to adulthood.

We continued to operate a youth unit at Christchurch Men's Prison, which is a specialist youth unit for males in prison 20 years old and younger, and opened a temporary youth unit at Manawatu Prison in August 2023. The use of the youth unit at Hawke's Bay Regional Prison was suspended following six youths causing considerable damage to it in August 2022. There are separate youth placement beds at other sites around the country where young people are managed separately from the adult prison population.

As of 30 June 2023, we managed just under 800 young people (under 25 years old) in prison [2021/22: 751], and 3,329 (2021/22: 3,362) in the community.

### We continued to manage persons of extreme risk

We manage a small number of people identified as holding extremist views or displaying risk factors and indicators specific to radicalisation or violent extremism. In 2019, we established the Persons of Extreme Risk Directorate (PERD) as this group required a tailored approach to be managed safely.

The Directorate manages a specialist Prisoners of Extreme Risk Unit (PERU). People in this unit present an extreme risk to the safety of the public, our staff, other people in prison, and include those who are at risk from others. On 30 June 2023, 13 men [2021/22: 9] were managed in the unit.

The Directorate also helps manage a small number of extreme risk people in other prisons and in the community. This may be due to their ongoing risk of serious violence, which requires additional management, or their capability to influence others to engage in serious violence or threats to others, including staff. While these risks may include violent extremism, this is not always the case. They may present safety and security challenges that cannot be mitigated with a mainstream management approach.

In the four years PERU has been operating, we have had no serious staff or prisoner assaults. This is a significant achievement, noting that the 13 men we hold in the PERU pose the most significant risk of harm and level of influence across the prison estate.

In early 2023/24, a specialist psychologist will be brought into PERU, and we are working on the development of bespoke programmes to treat people associated with Transnational Organised Crime.

### Keeping our staff and people in prison safe

#### We operate 24 hours a day, seven days a week managing some of the country's most challenging people in a complex environment.

We are constantly working to provide the safest environment possible for our staff, people in prison, and visitors.

### A number of highly complex factors contributed to assaults in prison

Despite the prison population declining from the peak of 10,820 in 2018, the proportion of those in prison with a tendency to commit violence has increased.

More than 80% of the prison population have had convictions for violence in their offending histories, and as of 30 June 2023, 37% have a gang affiliation which is a known predictor of violence. Gang members are known to incite other people in prison to carry out violent acts on behalf of the gangs.

A growing proportion of the prisoner population are on remand, and there is a strong statistical association between remand status and incidents of assault within prison.

People in prison who are at risk of violence to or from others can be segregated for their own safety and security. People in prison can also ask to be placed on voluntary segregation if they feel they are at risk from others. We have zero tolerance for violence against prisoners or staff and any prisoner using such behaviour will be held to account for their actions, including facing criminal charges.

We have also placed an increased importance on staff recording prisoner on staff assaults, regardless of whether they result in injury.

This may initiate an increase in reported assaults as staff begin to report situations they would usually not.

There were 840 non-serious/no injury assaults on staff recorded across the prison network this financial year [2021/22: 856].

On occasion, incidents can result in a serious injury, and this financial year there were 24 victims of serious prisoner on staff assault (0.30 per 100 prisoners), compared to 17 victims (0.22 per 100 prisoners) in 2021/22. In the same period, there were 35 victims of serious prisoner on prisoner assault (0.43 per 100 prisoners), compared to 24 victims (0.31 per 100 prisoners), in 2021/22.

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	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2023 Budget (unaudited)	2024 Forecast (unaudited)
The number of prisoner on staff assaults that are serious, as a rate per 100 prisoners <sup>8</sup>	0.18	0.32	0.22	0.30	Less than or equal to 0.20	Less than or equal to 0.20
The number of prisoner on prisoner assaults that are serious, as a rate per 100 prisoners <sup>8</sup>	0.41	0.43	0.31	0.43	Less than or equal to 0.50	Less than or equal to 0.50

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

### We invested in staff safety through the Strengthening Corrections Frontline Safety and Improvement Programme

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

- provide additional frontline and support staff to increase capacity, uplift capability, and improve training delivery
- enhance the technical expertise of our frontline staff in key capability areas to ensure staff are safe and well and able to respond to the complexities of our environment and the needs of people in our management
- develop new and enhanced ways of working including more responsive health services to better deliver for Māori in prison, better management of violence and aggression, additional post incident support for frontline staff, and more gender responsive prisons.

In 2022/23, key achievements included:

- establishing onsite learning and development resources to enhance staff training and learning
- providing additional staff at women's prisons to support health escorts and internal movements including attendance at programmes
- continuing our provision of staff welfare coordinators that support our staff wellbeing
- reviewing and redesigning the initial custodial training pathway with iterative improvements underway
- delivering tactical communications training to uplift frontline staff capability in prisons and support a reduction of violence and aggression
- undertaking work to develop a new Prisoners of Extreme Risk Operating Model, Women's Prison Learning and Development Pathway and Support Framework, and new capability pathways for frontline staff.

In 2023/24, we will continue to focus on developing new ways of working and uplifting frontline staff capacity and capability to allow them to better respond to the complexities of our environment and the needs of people in our management.

### We worked with unions to help reduce violence and aggression in prison

We continued to work with the Public Service Association (PSA) and the Corrections Association New Zealand (CANZ) to address violence and aggression toward our staff in prisons through the Violence and Aggression Joint Action Plan. This plan was expanded into a full Reducing Violence and Aggression Work Programme in 2022.

As a result, we introduced individual prison site safety plans and piloted a full day staff training programme to support our response to addressing violence and aggression in prisons. The training programme has been rolled out to over half of our frontline workforce and will be fully rolled out by December 2023.

We have also worked alongside Police to implement the 105 (Ten-Five) online reporting tool in all prisons.

This enables our frontline staff to report assaults directly to Police, allowing them to take action in a consistent and transparent manner. We now offer a post-incident psychological support service to staff and are continuing the delivery of hostage and suicide refresher trainer across all prison sites.

We continue to work with the unions, staff, and site leadership to provide physical wellness checks and wellness days for frontline Corrections staff. During the year, 1,149 wellness checks were completed across our prison, community, and corporate sites.

Violence and aggression protocols have also been issued for staff in prisons and the community, which aim to minimise the risk to staff. They set out controls we have in place to reduce the likelihood of violence or aggression and highlight factors for staff such as skills to de-escalate situations, physical measures to protect themselves from injury, processes to improve prison security, and interpersonal and tactical communications skills. Staff in prisons also have tools such as stab-resistant vests and body-worn cameras to help enhance their safety.

### We placed significant emphasis on preventing and detecting contraband in prisons

Contraband includes alcohol, communication devices, drugs, drug paraphernalia, tattoo equipment, tobacco, tobacco paraphernalia, weapons, and other miscellaneous items that people in prison could use in inappropriate ways to jeopardise the safety of prisons.

Methods we use to detect contraband include searches of vehicles and people entering prisons, scanners and x-ray machines at entry points, prison perimeter security, camera surveillance, mail, and telephone monitoring, and banning visitors who attempt to bring contraband into prisons. We also operate specialist detector dog teams who have a range of searching capabilities and can detect drugs, mobile phones, tobacco, and illicitly brewed alcohol. As of 30 June 2023, we had 22 operational detector dog handlers operating 26 dogs.

In 2022/23, 6,012 incidents involving contraband were reported [2021/22: 5,311; 2020/21: 6,782; 2019/20: 7,302].

The increase in contraband finds (up 13% on the previous year) can likely, in part, be attributed to the resumption of certain activities that had previously been suspended due to the impact of COVID-19, such as our Release to Work programmes and visits (which resumed in varying forms at all but one prison during the year), as well significant increases in the number of prisoner movements as part of our work consolidating the prison population into fewer units.



## Case study: Women's prisons prioritised for new full body scanners



All three women's prisons have been prioritised for full body scanners to ease the experience of searching people newly received into prison and improving the overall safety of our prison environments.

Units have been installed at Auckland Region Women's Corrections Facility and Christchurch Women's Prison with work underway for installation at Arohata Prison. Director Asset Management Stephen O'Neill says it made sense to prioritise the women's network for our rollout of this technology.

"We know that less-intrusive, full body imaging technology helps to promote personal dignity and wellbeing for both people in prison and staff" says Stephen.

Women are particularly vulnerable to the negative impact of strip searching; searches can be a reminder of previous victimisation and further damage to the mental wellbeing of women in prison.

"Having an alternative to strip searching has aligned our operational practice with the humanising and healing intent of Hōkai Rangi and our Women's Strategy" says Principal Adviser – Custody Bronwyn McGovern.

"Staff found having the full body scanner a positive addition to their search toolbox and people are less anxious and more relaxed being scanned rather than being strip searched, which makes the entire reception process a smoother, safer experience for everyone."

Manager Electronic Security Neil Attridge says the body scanners offer clear safety gains.

"Scanners help detect and reduce contraband entering our prisons, which ultimately makes our sites safer for both people in prison and staff."

### We conducted drug and alcohol testing to help keep prisons safe

Under the Corrections Act 2004, individuals in prison may be required to submit to drug or alcohol testing.<sup>9</sup> The most common testing category is general random testing. All people who have been in prison for more than 30 continuous days are eligible to be selected for general random drug testing, except for those who are within 10 days of their release date.

Drug and alcohol testing is aimed at detecting and preventing the supply of these contraband items into prison with the medium-long term objective to reduce reoffending by reducing drug use in prison and post release.

In 2022/23, just over 1,200 general random drug tests were undertaken in prisons [2021/22: 1,340; 2020/21: 3,522; 2019/20: 3,360] to detect the use of contraband. Of these tests, 95.8% returned a negative result [2021/22: 95.8%; 2020/21: 96.2%; 2019/20: 95.6%].

General random drug testing in prisons was initially paused in early 2020 in response to the COVID-19 pandemic, as the priority for the company we use to do the tests was undertaking national COVID-19 testing at the time.

While the cessation of testing has since been lifted, staffing pressures have meant that not all sites have been able to return to pre-COVID-19 testing levels. As a matter of priority, reasonable cause testing (where someone is suspected of consuming substances) has continued.

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



AUDITED MEASURE Assessment of performance	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2023 Budget (unaudited)	2024 Forecast (unaudited)
The proportion of general random drug tests undertaken by prisoners that have a positive result	4.4%	3.8%	4.2%	4.2%	Less than or equal to 5%	Less than or equal to 5%

### We monitored prisoner phone calls to maintain the safety of the public, staff, people in prison, and their family

Every person in prison has access to phones for the purpose of maintaining pro-social contact with friends and family.

We recognise the importance of these calls, especially where in-person visits were not always available at prisons. During the 2022/23 year, the prisoner telephone system was incrementally replaced across all prisons with the new Corrections Prison Telephone System. While the previous system required the purchase of prepaid phonecards, the new system is card free and at no cost to people in prison.

While the majority of phone calls from prisons are appropriate and made for legitimate purposes, a small proportion are not. Under section 113 of the Corrections Act 2004, we have the legislative authority to monitor phone calls made by people in prison, and we undertake this monitoring to maintain the safety of the public, staff, people in prison, and their whānau.<sup>10</sup>

Prisoners can contact only those numbers approved by the Prison Director and each person is allowed up to 10 approved numbers.

As part of the approval process, staff at the prison must contact the owner of the proposed number and confirm their identity and their permission to receive phone calls. Each phone call can last a maximum of 15 minutes, but there is no limit on the number of calls a prisoner can make in a day, however total call time is limited to three hours per day. Prior to using the phones in prisons, every person is advised that personal phone calls are recorded and that a portion of these are monitored. Phone calls to legal advisers, government organisations, Crime Stoppers, monitoring agencies, and Members of Parliament are not recorded or monitored.

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

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

The table below shows the total phone calls made and monitored in 2022/23.

<b>Prisoner phone calls</b> (excluding Auckland South Corrections Facility)	2021/22	2022/23
Total phone calls made	3,243,960	4,116,817
Phone calls monitored	81,574	63,198

<sup>10.</sup> This is a report under section 190[1](c](d)[e) of the Corrections Act 2004 on the processes and systems in place to supervise and control the monitoring of prisoner phone calls, including statistics on the proportion of prisoner calls monitored (otherwise than merely being recorded), and the number and percentage of calls disclosed under sections 117(1) and (2) of the Act.

### We worked with other agencies to reduce the risk of gang influence

Gangs in various forms have existed in our communities and prisons for several generations. As within the community, the proportion of people in prison who affiliate with a gang has been steadily increasing for more than 30 years.

Details of a person's gang affiliation are recorded when they are received into prison, or at any other time we become aware of the affiliation.

We work closely with the Gang Intelligence Centre, Police (for example, the National Organised Crime Group), and others to identify gangs, gang members, and their impact.

We continued to actively work to contain the negative influence of gang members in prisons, disrupt the efforts and capabilities of gang members to organise and commit crime, and reduce the reoffending rates and harm caused by gangs.

We take all reasonable steps to discourage people from gang membership by providing programmes and opportunities to support them to disassociate themselves from criminal offending and seek support in addressing addiction, offending, and reintegration needs.

# Our staff are working hard to get back to our pre-COVID-19 operations

The safety of our staff, people in prisons, and visitors to our sites is paramount. Every decision we make is about ensuring our prisons continue to operate safely and securely. Like many other organisations and businesses, we have faced on-going challenges related to our staffing levels. We fully acknowledge the pressure this has placed on staff working in prisons, which is why we have been making a concerted effort to recruit, retain and train (see page 102).

We acknowledge that at some sites this has at times impacted people in prison's access to in-person visits, unlock hours, rehabilitation programmes and mental health and addiction services.

Each day, prior to any unlock of prisoners, staff must assess and manage a range of operational requirements and risks, including who can be unlocked together, whether they are segregated or in the mainstream population, whether there is a risk of them associating with co-offenders, and whether there are any gang tensions that may pose a risk to the safety of staff and other prisoners, as well as the security of the prison.

We are doing everything we can to increase unlock hours and access to in-person visits, however the safety of our staff and the people we manage in prison is our absolute priority.

In-person visits have now resumed, in varying forms, at all but one prison, with the exception being Rimutaka Prison. We continue to provide people in prison with other means of staying in contact with family and friends including free phone calls and audio visual link visits.



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

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

Public safety is our top priority, and no escape is acceptable. If a prisoner escapes from custody, we immediately contact Police, who are responsible for locating and returning the individual to custody as soon as possible. A person who is convicted of escaping lawful custody can receive a maximum sentence of five years' imprisonment. In 2022/23, there was one breakout escape from prison [2021/22: 1] involving a minimum-security prisoner climbing the fence of a self-care unit. Staff immediately responded and secured the prisoner while he was still on prison property.

Nonetheless, this escape has been categorised as a breakout on the basis that the prisoner breached the area contained by the outermost perimeter security fence of the prison. An incident investigation is being undertaken and the prisoner has been subject to court proceedings.

There were also three non-breakout escapes [2021/22: 1], all of which occurred as part of a single event. All three men, who were remanded into custody at court, absconded from a First Security prisoner escort van while being transferred to Mt Eden Corrections Facility. All three prisoners were returned to custody. An Operational Review was undertaken into the escape by the Office of the Chief Custodial Officer.

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

AUDITED MEASURES	2020	2021	2022	2023	2023	2024
Assessment of performance	Actual	Actual	Actual	Actual	Budget	Forecast
					(unaudited)	(unaudited)
The number of breakout escapes <sup>11</sup>	Nil	Nil	1	1	Nil	Nil
The number of non-breakout escapes <sup>12</sup>	8	6	1	3	Less than or equal to 5	Less than or equal to 5

11. 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.

<sup>12.</sup> 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.

# Our prison network

As of 30 June 2023

A	Northland Re Facility (est. 2	egion Corrections
	Gender 💍	Custody status 🏞 🔢
	Security classification	ation 🔍 🔴 🔴
	Auckland Pri	i <b>son</b> (est. 1968)
В	Gender 💍	Custody status 🖈 🔣
	Security classification	ation 🗧 🗧 🖶 🖷
С	Mt Eden Corr (est. 2011)	rections Facility
	Gender 💍	Custody status 🖈 🔣
	Security classification	ation 🔷 🔿 🔿
D		gion Women's Facility (est. 2006)
	Gender ♀	Custody status 🖈 🔣
	Security classific	ation 🔷 🔴 🔴 🔴
	Auckland So	uth Corrections
E	Facility (est. 2	

Gender Custody status Security classification

Spring Hill Corrections Facility (est. 2007) Gender Custody status 2007 Security classification Gender O Custody status 2 III Security classification • • • •

Tongariro Prison (est. 1978)GenderCustody statusSecurity classification

Waikeria Prison (est. 1911)



G

H

Hawke's Bay Regional Prison (est. 1989) Gender O Custody status 2 III Security classification • • • •



0 N P

F



KEY

Custody Status Security Classification Remand Sentenced

LOW-MEDIUM



### Supporting people's physical and mental wellbeing

## Corrections manages some of the most complex and vulnerable people within our society.

People in prison are more likely to have unmet health needs prior to entering prison, and more people are now entering the corrections system with issues around low mental capacity and mental age, and nonverbal behaviour.

At the centre of Hōkai Rangi is the concept of wellbeing (oranga), of which a key component is good physical and mental health. Providing a suite of highquality nursing, medical, mental health, addiction, dental, physiotherapy and disability services is critical to achieving this.

### We further strengthened our health services through our improvement programme

We are improving our health services to establish a comprehensive, inclusive, and culturally responsive healthcare system, focused on improving health outcomes for all the people we manage, with a particular focus on Māori. This programme is called Te Matatiki o te Oranga.

This year we focused on the initial design of the new health service through a consultation and feedback process with our frontline staff (both custody and health), government agencies, unions, Māori (hapū, iwi, community) non-government organisations, and people in prison.

We identified seven key service features (listed right) to be developed, tested, and further refined at prison sites in the next year.



**Te Tiriti o Waitangi** - Embed Te Tiriti o Waitangi across all our health services to meet our responsibilities and obligations to Māori.



**Equity** - Equity demands different people with different levels of advantage require different approaches and resources to get equitable outcomes. This is done through systems, measures and monitoring, making sure they are in place or developed and implemented.



**Rongoa Māori** - Ensuring rongoa Māori is enabled to be a natural integrated part of health services, however, as a Taonga Tuku Iho it stands strong in its own mana not as an add on to other approaches.

Whānau engagement - People in our

management and their whānau will

be supported to self-manage their own health and wellbeing needs and

and into the future.



aspirations. **Workforce** - A diverse workforce that works collaboratively to effect transformational change for Māori and others in the prison network for today,



Model of care and strategy - Pae Ora/ Healthy Futures for Māori and all people in our management, to develop and implement a model of care that is whānau centred, oranga focused and connected to our communities.



**Research systems and technology** - We are an agile, culturally led, evidence informed service. It enables, supports, and protects the use of mātauranga Māori in evaluation and research to enhance oranga and address equity.

We also held our first Māori health workforce conference, Te Whakaminenga Māori, in October 2022. The purpose of this conference was to support the Māori workforce as a network and to support the growth and development of Māori leadership.

### We took steps to better meet the needs of more vulnerable people

This includes tāngata whaikaha Māori/disabled people, older people, and people that have been impacted by family violence and sexual violence.

In February 2023, we launched our *Disability Action Plan 2023-2027.* The plan was created with input from tāngata whaikaha Māori/disabled people, their whānau, and our staff, along with input and insights from across the disability sector. It sets the strategic direction for an oranga centred approach to supporting tāngata whaikaha Māori/disabled people in prison to experience improved health and wellbeing outcomes, and to achieve their goals and aspirations.

We launched our *Te Aorerekura Implementation Plan* in May 2023. The plan acknowledges the significant role Corrections plays in preventing harm, disrupting and addressing intergenerational trauma, and supporting the treatment and healing of survivors of family violence and sexual violence. The plan builds on our existing work, recognising that a significant proportion of people have lived experience of violence. It is grounded in mātauranga Māori and acknowledges the need to be driven by people with te ao Māori knowledge. We also developed a family violence practice tool that identifies indicators of risk and equips Community Corrections staff with knowledge about the dynamic nature of family violence in the community. A family violence awareness training module has been developed and is being delivered to all frontline staff.

In addition, we commenced a study alongside our partners<sup>13</sup> to better understand the neurocognitive functioning of men who are sentenced. While the sample size is small, this will develop our understanding of the range of neuropsychological strengths and challenges existing in our prison population, and ensure that the provision of rehabilitation, mental health, and occupational interventions are effective and equitable.

### We strengthened our nursing leadership

We employ 260 nurses to provide primary-level services across our 17 Corrections' managed prisons.

We have increased the number of Assistant Health Centre Manager roles to 16 and Clinical Team Leaders to 22 across the 17 Health Centres. We have also added two Clinical Nurse Educators and one Clinical Nurse Specialist Women's Health in the northern region.

This has been a purposeful investment in a senior nursing workforce to enable professional nursing leadership, operational oversight, continuous education, and career pathway progression.



Auckland University of Technology – Te Wānanga Aronui o Tāmaki Makau Rau, University of Waikato – Te Whare Wānanga o Waikato, University of Auckland – Waipapa Taumata Rau, and Serco.

## Case study: Te Aorerekura Implementation Plan in action



In December 2022, Te Puna Aonui, (the Government's joint venture of 10 agencies including Corrections) launched Te Aorerekura, the first ever national strategy to eliminate family violence and sexual violence (FVSV). Corrections secured an additional \$0.9 million of funding in Budget 2023 to improve access to family violence programmes in courts and the community. In response, we launched our Te Aorerekura Implementation Plan.

Lead Advisor Family Violence Sexual Violence, Tricia Walsh, has a passion to see those who enter Ara Poutama Aotearoa receive the best possible support to live their best lives. "This includes the quality of relationships they form with staff, the programmes they are required to attend and the prison environments in which they are housed" says Tricia. "As Lead Advisor FVSV, I am privileged to help carry some of this burden for whānau. I feel the weight of generations who have demanded change for people and their whānau who are impacted by family violence and sexual violence. I am aware of the enormity of the mahi – it will take time to live in a country where FVSV no longer exists."

To respond safely and effectively to family harm, we introduced our essential family violence training course Hoake Te Manaakitanga. Nearly 4,000 staff have now completed the training which is focused on safe, holistic, and effective practice.

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

To demonstrate that the level of care in prisons meets the standards of care available in the community, we require all health centres at Corrections' managed prisons to be accredited under the Cornerstone® programme.

The programme provides a framework to assess the level of health care provided against the Royal New Zealand College of General Practitioners Aiming for Excellence Standards which combines all the legislation, regulations, standards, and clinical requirements for a general practice to deliver safe and quality care. As of 30 June 2023, 16 out of 17 prisons were accredited and a further prison was undertaking its site assessment, subsequently resulting in formal confirmation of reaccreditation.

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

AUDITED MEASURE Assessment of performance	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2023 Budget (unaudited)	2024 Forecast (unaudited)
The percentage of Health Centres in prisons that retained their Cornerstone accreditation status following completion of an annual review	94%	100%	88%	94%	100%	100%



### We provided services to meet people's mental health needs

Mental health and alcohol and other drug (AOD) needs are serious health issues that impact people's wellbeing, contribute to crime and other social harm in the community, and act as a barrier to people accessing rehabilitation and reintegration services.

While our prison-based services were not historically designed to support people with serious mental illness, our staff are managing a growing number of people, including defendants remanded in custody, with complex mental health and intellectual disability needs.

### Mild-to-moderate mental health needs

Improving Mental Health Services are contracted at the majority of prison sites to deliver interventions for people with mild-to-moderate mental distress. Alongside this, wrap-around whānau services connect family of people who are accessing improving mental health services with community services to improve their social, health, and education outcomes.

During 2022/23, 3,881 referrals were received by the Improved Mental Health (IMH) Services [2021/22: 3,197]. A total of 12,729 hours of face-to-face clinical contact were delivered by IMH clinicians for people with mild-to-moderate mental health needs [2021/22: 13,480].

Mental Health 101 (MH101), a workshop specifically designed to equip staff with skills to identify and respond to someone who may be struggling with their mental health. We also have continued to deliver for Community Corrections and custodial staff.

In 2022/23, 19 workshops were completed in the community, with a total attendance of 275 staff. MH101 was also delivered as part of the Corrections Officer Development Pathway for newly hired custodial staff. In the period between February and June 2023, 233 new custodial staff completed MH101. This is a total of 508 staff who completed MH101 in 2022/23, and a total of 703 staff since the national rollout in May 2021.

Prison site	Clinical Nurse Specialist - Mental Health	Intervention and Support Practice Team (ISPT)
Northland Region Corrections Facility	٠	
Auckland Prison		٠
Mt Eden Corrections Facility		٠
Auckland Region Women's Corrections Facility		٠
Spring Hill Corrections Facility		٠
Whanganui Prison	٠	
Hawke's Bay Regional Prison	٠	
Manawatu Prison	٠	
Rimutaka Prison		•
Arohata Prison	•	
Christchurch Men's Prison		•
Christchurch Women's Prison	•	
Otago Corrections Facility		•
Invercargill Prison	•	

### Moderate-to-severe mental health needs

Our seven Intervention and Support Practice Teams (ISPT) and seven Clinical Nurse Specialist – Mental Health roles (at non-ISPT prison sites) continued to support people with moderate-to-severe mental health needs. This included risk assessments and early intervention in Intervention and Support Units, mental health screens, brief interventions, therapy, and working with Forensic Mental Health Services to ensure people in our management who have severe and enduring mental health needs receive timely support.

The table on page 56 shows the prison sites, at June 2023, with an Intervention and Support Team or with a Clinical Nurse Specialist - Mental Health. The spread of these services is based on which prisons were identified as having the most need for these services. Contracted providers are also available at Waikeria Prison, Tongariro Prison and Rolleston Prison to support people with mental health needs. The table does not include Auckland South Corrections Facility, which is managed by Serco.

In 2022/23, Intervention and Support Practice Teams and Clinical Nurse Specialists provided mental health input for 5,956 people [2021/22: 5,569<sup>14</sup>].

We continued to focus on professional development for mental health staff to ensure they have specialised skills in areas such as suicide risk assessment and management, working with complex mental health concerns, and clinical supervision.

A new mental health Oranga Unit was also opened in Spring Hill Corrections Facility. This new unit will complement the existing Intervention and Support Unit and will help to cater for the increased mental health needs at the facility.

### We aim to improve outcomes for Māori in the corrections system and support their reintegration back into communities through Hikitia as part of the Waikeria Prison Development Programme

Construction of a new facility at Waikeria Prison continued. This development includes Hikitia, a dedicated mental health and addiction service that will operate out of a 96 bed mental health and addiction unit in Waikeria Prison, with non-residential mental health and addiction services to be delivered at Spring Hill Corrections Facility and Tongariro Prison.

Hikitia will be the first facility of its kind in Aotearoa New Zealand, and represents a significant investment in strengthening mental health services to improve rehabilitation and reintegration outcomes for people in prison.

On completion, it will provide people in prison with access to external recreation areas, central and on-unit health services and programme rooms, and technology to allow communication with family.

Construction of the Waikeria Prison facility has been impacted by global events and associated supply chain pressures, and is set for completion on 30 November 2024. Once construction has been completed, there will be a period where we will undertake work to ensure our staff are prepared to operate in what will be a new environment. The facility is expected to be fully utilised by late 2025.

Over the past year, we worked on an integrated programme plan for the Waikeria Operating Model and Hikitia service. This, alongside the construction of the new Waikeria Prison facility, is being monitored and supported by the Waikeria Prison Development Programme to ensure the operating model for these services is developed and ready when the new facility opens.

We also begun engagement with key stakeholders, including mana whenua, to help us design, test, and validate the model of care and non-residential service delivery model for Hikitia at Spring Hill Corrections Facility and Tongariro Prison.

In 2023/24, we will establish the Hikitia Rūnanga as an oversight, assurance, and advisory group for the Hikitia service across the three prisons, and we will work with our partners to articulate how to operationalise the non-residential Hikitia service within the prison environment.

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

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

In 2022/23, we made further progress on the actions outlined in our *Suicide Prevention and Postvention Action Plan 2022-2025.* We:

- continued to take steps to upskill our staff to ensure that they have the knowledge and skills required to effectively support people in prison who are experiencing mental distress or who may be at risk of suicide or self-harm. This included training on topics such as suicide screening and assessment, mental health assessment, mental illness, and substance abuse
- progressed improvements to the physical environments across a number of our Intervention and Support Units to make these more humanising and healing
- are in the final stages of developing an interactive data tool, which will provide quick access to information about our Intervention and Support Units, including real-time occupancy and capacity data, as well as useful information that can inform where an escalation of support is required.

### Unnatural deaths in prison

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

In 2022/23, there were five unnatural deaths in prisons [2021/22: 12] believed to be a result of suicide. During this same period, there were 62 incidents of self-harm in prisons that were so serious that they posed a threat to a person's life [2021/22: 58<sup>15</sup>].

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

AUDITED MEASURE Assessment of performance	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2023 Budget (unaudited)	2024 Forecast (unaudited)
The number of unnatural deaths	9	11	12	5	Nil	Nil

## Helping keep the public safe

CORRECTI

### Managing people on community-based sentences and orders

#### We help improve the safety and wellbeing of our communities through the close monitoring of people on community-based sentences and orders.

As at 30 June 2023, we managed 26,719 people on community-based sentences and orders at the direction of the Courts and the New Zealand Parole Board [2021/22: 26,882].

There are a range of community-based sentences from community work to supervision to home detention. People released from prison may also be managed on release conditions or parole. The courts can impose other orders to keep the community safe, including extended supervision orders and public protection orders.<sup>16</sup> We take all instances of non-compliance with community-based sentences and orders extremely seriously. Our staff manage a person's compliance with their conditions and hold them to account if they breach.

Potential penalties can include breach action, increased reporting to Community Corrections, or formal prosecution potentially resulting in imprisonment. Other agencies, including the Police, are also involved in monitoring, and mitigating the risk of non-compliance.

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

AUDITED MEASURES Assessment of performance	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2023 Budget (unaudited)	2024 Forecast (unaudited)
The proportion of community- based offenders who successfully complete their sentence or order	74%	76%	79%	79%	Greater than or equal to 75%	Greater than or equal to 75%
The proportion of community- based offenders being held to account by probation staff for non-compliance	97%	97%	96%	97%	Greater than or equal to 90%	Greater than or equal to 90%

<sup>16.</sup> There are 10 sentences or orders that can be imposed. These are community detention, community work, extended supervision order, home detention, intensive supervision, parole, post-detention conditions, released on conditions, returning offender order, and supervision.

### Our staff actively managed people subject to electronic monitoring

Electronic monitoring is one of many tools we use to help keep our communities safe. People serving community-based sentences and orders may also have regular risk assessments, access to programmes that address rehabilitation, employment and education, positive community support, and oneon-one meetings and home visits with their probation officer.

People may be subject to electronic monitoring when:

- they have been sentenced to a community-based sentence or order by a court with electronic monitoring as a condition of their sentence; or
- they have been released from prison where a court or the New Zealand Parole Board have imposed a condition that they be electronically monitored.

We also use electronic monitoring for prisoners on temporary release from prison.

In November 2021, we confirmed a new contract with Buddi for the use of its electronic monitoring equipment. The transition to the new system was completed in August 2022. We use two types of electronic monitoring, Radio Frequency (RF) or Global Positioning System (GPS) to monitor people.

RF monitoring technology communicates via 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.

In 2022/23, we electronically monitored a daily average of 3,995 people on sentenced and orders, excluding those on EM bail [2021/22: 4,633].

#### Extended supervision, parole and post-release conditions<sup>17</sup>

When a person is granted parole by the New Zealand Parole Board or is subject to post-release conditions, they may be subject to electronic monitoring. Electronic monitoring can also be imposed as a condition for someone on an extended supervision order (ESO).

An ESO is a post-sentence community-based order that can be imposed by the courts on application from Corrections. It is used to monitor and manage people who have been assessed as having a high risk of sexual offending, or very high risk of violent offending, and who meet the legislative criteria. The orders can be imposed for up to 10 years at a time.

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

#### As of 30 June 2023:



### In 2022/23, the average number of people per day who were electronically monitored as a condition of:



### During 2022/23, the total number of different individuals subject to an electronic monitoring condition as a condition of:



#### The average length of electronic monitoring conditions attached to:<sup>18</sup>



- 17. This is a report under section 15A of the Parole Act 2002 about the use of electronic monitoring (specific to people on parole or who are subject to extended supervision).
- 18. Previously the average length of electronic monitoring conditions was based on the average duration of conditions that had ended in the reporting period; however, this is now based on the average duration of all active conditions during the reporting period, to comply with the Parole Act 2002.

It should be noted that accurate average length of time metrics are difficult to provide for individuals subject to electronic monitoring conditions with no specified end date.

Where a person has not complied with any condition of their community-based order (including an electronic monitoring condition), their probation officer may pursue formal prosecution. In 2022/23, we commenced a total of 315 prosecutions for noncompliance with an extended supervision order, 964 for parole, and 2,396 for post-release conditions [total for all categories: 2022/23: 3,675, 2021/22: 3,385].

#### Intensive supervision<sup>19</sup>

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

As of 30 June 2023, 4,618 people were serving an intensive supervision sentence (2021/22: 4,313), of whom 89 [2021/22: 149] were subject to electronic monitoring conditions. Over the course of 2022/23, 180 different individuals [2021/22: 172] were subject to an electronic monitoring condition while serving an intensive supervision sentence.

The daily average number of people serving an intensive supervision sentence who were subject to an electronic monitoring condition during 2022/23 was 93 [2021/22: 135]. The average length of time for which an individual was electronically monitored as a condition of intensive supervision was 434 days [2021/22: 399 days].

Where a person has not complied with any condition of their community-based sentence or order (including an electronic monitoring condition), their probation officer may pursue formal prosecution. In 2022/23, we commenced 1,588 prosecutions for non-compliance with an intensive supervision sentence [2021/22: 1,181]. Corrections cannot provide aggregated data that establishes the extent that breaches were specifically related to the breach of electronic monitoring conditions as opposed to other conditions associated with the sentence or order. Individual case file review is the only method we have to establish that information, and accordingly, we are unable to provide this level of information.

# *We supported Police with electronically monitored bail (EM bail)*

Electronically monitored bail (EM bail) is a form of bail that people remanded in custody while awaiting trial or sentencing can be granted. People on EM bail are not subject to a sentence managed by Corrections as they are still progressing through the court process and are awaiting a conviction or sentence.

We jointly manage EM bail with Police. Our role is to assess a person, the proposed occupants, and their proposed address for their suitability for EM bail and manage their compliance with electronic monitoring if EM bail is granted.

If someone is granted EM bail, they may have a number of conditions they must adhere to, such as abstinence from alcohol or drugs, or not contacting victims and witnesses.

Police are responsible for ensuring that the person complies with their bail conditions. We support the Police by providing reporting on non-compliance with whereabouts and curfew conditions through the electronic monitoring component. Police are responsible for taking action regarding any instances of non-compliance with electronic monitoring conditions, including when a person absconds.

In 2022/23, we electronically monitored a daily average of 2,062 people on EM bail [2021/22: 1,843].

#### 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.<sup>20</sup> These orders are applied by the court when a person has completed their prison sentence but cannot safely be placed in the community due to the risk they pose to others.<sup>21</sup>

The Public Safety (Public Protection Orders) Act 2014 ensures public protection orders 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.

Section of the Act	Description of measure	Result of measure (year ended 30 June 2023)
121(1)(a)	The number of persons who, at the end of that year, are detained, under this Act, in residences and state, for each person so detained, the number of months for which the person has been detained in a residence.	One person was detained at Matawhāiti residence at the end of year as of June 2023. This occupant has been in residence for 77 months.
121(1)(b)	The number of persons who, at the end of that year, are detained, under this Act, in prisons and state, for each person so detained, the number of months for which the person has been detained in prison, and the reasons for that detention.	One person has been detained in prison under this Act, due to the Court granting an order under s85 of the Act. They have been detained for 21 months.
121(1)(c)	The number of persons who have been released on protective supervision.	None
121(1)(d)	The number of persons who were on protective supervision and who have again been detained under this Act.	None
121(1)(e)	The number of times that the Chief Executive applied to the court, ahead of time and pursuant to a direction of the review panel, for a review of a public protection order.	None

20. This is a report under section 121 of the Public Safety (Public Protection Orders) Act 2014.

<sup>21.</sup> People who no longer meet the test to be subject to a public protection order are released and placed on a protective supervision order, where they are managed in the community and subject to conditions that the court considers necessary to reduce the risk of reoffending, facilitate rehabilitation and reintegration to the community and provide reasonable protection of victims.

Section of the Act	Description of measure	Result of measure (year ended 30 June 2023)
121(1)(f)	The number of appeals against orders made under this Act, and the outcome of each appeal.	There are three appeals made against orders made under this Act currently in the Courts.
		Two are lodged in the Court of Appeal and there are no outcomes for these appeals as of 30 June 2023.
		The third is lodged in the Supreme Court and there is no outcome for this appeal as of 30 June 2023.
121(1)(g)	The number and nature of any serious incidents involving residents or staff members of residences, or both.	There were no serious incidents at Matawhāiti for the year ending June 2023.
121(1)(h)	The number and nature of any incidents involving the use of significant force or restraints on residents.	None
121(1)(i)	The number of times seclusion was imposed on residents, and the duration of, and reasons for, each episode of seclusion.	None
121(1)(j)	The number of times that residents were hospitalised.	None
121(1)(k)	The number of residents who died.	None
121(1)(l)	The number of emergencies in residences that required assistance from corrections officers.	None
121(1)(m)	Any other matter that the Chief Executive considers should be included in the annual report.	None

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

The Returning Offenders (Management and Information) Act 2015 enables us to manage the risk to public safety caused by people who have been imprisoned for an offence overseas returning to Aotearoa New Zealand.

The supervision regime applies to eligible people who have served a term or terms of imprisonment of more than one year in another country.

The law applies regardless of whether the individual is deported, removed, or returns voluntarily.

Around 2,000 people have been subject to a returning offenders order under the Returning Offenders (Management and Information) Act 2015, since it came into force in November 2015, following 2014 changes to the Australian Migration Act 1958.

In 2022/23, 224 people completed a returning offenders order [2021/22: 221]. Of these people, 175 [2021/22: 113] participated in our intensive reintegration services, and 85% [2021/22: 93%] complied with the conditions of their order.

### We further acknowledged the importance of keeping communities informed

Our top priority is the safety of our communities. No person is permitted to reside at an address if we think the risk cannot be safely managed and public safety upheld.

We fully acknowledge the location of offenders can be a concern for victims and communities, particularly if someone has convictions for sexual offending against children. For our most high-risk people, such as those on an extended supervision order, we carry out an extensive and robust process to assess the suitability of every address proposed.

A range of factors are considered, including the location of victims, proximity to places designed for children, physical factors such as shared access, location of support services, and the ability to ensure a clear GPS signal at all times. Alongside this we consider any factors present that reduce an offender's risk, for example strong pro-social support from others at the property.

When deciding whether to carry out a community notification, victims are a key consideration. In many cases, sexual offending has occurred in the family setting or smaller communities. Care needs to be taken that any notification does not inadvertently lead to the identification of victims and cause further distress. In making all notification decisions, we balance this risk with the benefit of providing communities with information.

Community Corrections staff who manage notifications have strong relationships with the Ministry of Education – Te Tāhuhu o te Mātauranga, early learning centres, schools, boards of trustees, mayors, local members of Parliament, community groups, local residents, and others.

In September 2022, we commissioned an independent review into our existing notification policy to ensure it is clear, transparent, fit-for-purpose and contributes to enhancing the safety of communities. This review is in its final stages, and we intend to release it publicly.



## Case study: Stable accommodation for returning offenders



People subject to returning offenders orders can face significant challenges in adjusting to life in Aotearoa New Zealand when returning after a long time overseas. Many no longer have friends, family, or support networks here, and may require a high level of assistance to support their reintegration.

Under their Te Pae Whirinaki service, Te Pā, a Corrections partner, has opened their third whare in Auckland where returning offenders can receive reintegration support. Since the first whare opened in March 2021, approximately 40 men have been placed in the service. We know that providing returning offenders with stable accommodation can be critical to reintegrating people into society successfully and helping them remain crime-free.

The service allows men to stay at the whare for three to six months where a live in 'house parent' who along with kaiārahi (counsellors) help residents with their reintegration needs including moving to more sustainable accommodation and finding employment.

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

#### Information and advice are provided to both the courts and the New Zealand Parole Board (Parole Board) to help in their decision-making.

This includes providing pre-sentence reports to courts prior to sentencing and providing reports to the Parole Board in advance of parole hearings. Our role in these processes helps ensure well-informed sentencing and parole decisions that help keep our communities safe.

The Parole Board is an independent statutory body, separate from Corrections. Corrections administers the Parole Act 2002, which requires us to also provide administrative and training support to the Parole Board.

In 2022/23, we prepared over 5,500 parole reports for the Parole Board [nearly 6,500 reports in 2021/22], 85% of which were within agreed timeframes (comprised of 84% for parole assessment reports, 73% for parole progress reports, and 94% for psychological reports). Parole assessment reports make up a significant portion of the total number of parole reports provided to the Parole Board per annum, accounting for 71% of all reports prepared for the year, with parole progress reports and psychological reports at 7% and 22% respectively.

Overall performance for the year has been affected by staff shortages and access to people, particularly those in prison.

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

AUDITED MEASURES Assessment of performance	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2023 Budget (unaudited)	2024 Forecast (unaudited)
The percentage of all parole reports provided to agreed timeframes pursuant to New Zealand Parole Board requirements <sup>22</sup>	79%	66%	87%	85%	Greater than or equal to 95%	Greater than or equal to 95%
The percentage of all pre- sentence reports provided to court within agreed timeframes before sentencing <sup>23</sup>	96%	97%	97%	96%	Greater than or equal to 95%	Greater than or equal to 95%

- 22. Parole reports are provided to the Parole Board within an agreed set of timeframes parole assessment reports are due between 18-24 days prior to the hearing date; parole progress reports are due at least 14 days prior to the hearing date; and psychological reports are due at least 21 days prior to the hearing date.
- 23. Pre-sentence reports are provided to court within an agreed set of timeframes pre-sentence reports are completed to timeframes as set out in the Integrated Practice Framework, and psychological reports are due at least two working days before sentencing. Where necessary revised timeframes are agreed with the court.

#### Under the Parole Act 2022, people who have perpetrated offences and active registered victims are required to be notified of an impending hearing and of a Parole Board decision within agreed timeframes.

In 2022/23, 68% of offenders, and 79% of active registered victims were notified as per the agreed timeframes.

Overall performance for the year has been affected by ongoing recruitment and retention challenges. It is also reasonable to assume that a change in methodology implemented in 2022/23 has contributed to the reduction in this year's calculated performance for the offender notification measure.<sup>26</sup> Despite these challenges, we remain committed to improving the service experience (of both offenders and victims) and have developed quality assurance training sessions for staff to support this.

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

The team has also concentrated on staff wellbeing, enhanced induction and training approaches and the development of a recruitment and retention plan.

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

AUDITED MEASURES	2020	2021	2022	2023	2023	2024
Assessment of performance	Actual	Actual	Actual	Actual	Budget	Forecast
					(unaudited)	(unaudited)
The percentage of offenders who are notified as per New Zealand Parole Board requirements <sup>24</sup>	100%	87% <sup>25</sup>	82%	68% <sup>26</sup>	Greater than or equal to 98%	Greater than or equal to 98%
The percentage of victims who are notified as per New Zealand Parole Board requirements <sup>24</sup>	100%	87% <sup>25</sup>	86%	79%	Greater than or equal to 98%	Greater than or equal to 98%
The percentage of all cases heard by the New Zealand Parole Board that are scheduled within the timeframes specified by the Parole Act 2002 <sup>27</sup>	100%	100%	100%	100%	Greater than or equal to 98%	Greater than or equal to 98%

- 24. Offenders and active registered victims are notified of an impending Parole Board hearing and of a Parole Board outcome decision within agreed timeframes. These measures are calculated on a random sample of parole hearings that have occurred in the reporting period.
- 25. The calculation methodology was refined for the 2020/21 financial year. Performance was previously based on the percentage of notifications to offenders and active registered victims that had been made as per Parole Board requirements, whereas performance is now based on the percentage of offenders and active registered victims who received notifications as per Parole Board requirements. Prior year actuals have not been restated.
- 26. The calculation methodology for this measure was refined for the 2022/23 financial year. From 1 October 2022 a new documentation receipt process was implemented to assist in providing evidential support that prisoners have received the necessary documentation notifying them of an impending Parole Board hearing and of a Parole Board outcome decision. Performance for 2021/22 was assessed using a combination of evidential support, allowing time for the new documentation process to be fully embedded. For 2022/23 performance has been based solely on the assessment of signed receipt documentation. It is reasonable to assume that this change in methodology has contributed to the reduction in this years' calculated performance. The actual impact of this change has not been quantified. Prior year actuals have not been restated.
- 27. The Parole Act 2002 specifies that parole hearings are scheduled 16 weeks ahead of the parole eligibility date to give the various parties involved sufficient time to prepare. This measure is calculated on a random sample of parole hearings that have occurred in the reporting period.

### We remained committed to upholding victims' rights

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.<sup>28</sup>

The Victims' Code outlines eight principles for the treatment of victims in the justice system:

- Safety services should be provided in a way that minimises potential harm and puts safety first
- Respect providers should treat victims with courtesy and compassion, and respect cultural, religious, ethnic, and social needs, values, and beliefs
- Dignity and privacy providers should treat victims with dignity and protect their privacy
- Fair treatment providers should respond appropriately to a victim's needs and provide services in a timely way
- Informed choice providers should understand the victim's situation and tell the victim of the different ways they can get help
- Quality services providers should work together so the victim and whānau receive quality services that meet the victim's needs

- Communication providers should give information in a way that is easy to understand and is effective
- Feedback providers should let the victim know how they can give feedback or make a complaint.

Reviewing victim feedback and complaints is an important part of improving Corrections, and the wider Justice Sector's services to victims of crime, and we endeavour to learn from each complaint we receive.

Work is underway to develop a new operating model for the Corrections' New Zealand Parole Board (NZPB) team, designed to enable the team to move away from a range of manual, time-consuming processes to focus on high-value, high impact interactions and activities.

This includes a digital workstream for delivery of fitfor-purpose technology for NZPB staff and members. The indicative implementation timeframe is mid-2024.

We are part of a victim of crime inter-agency committee, which includes representatives from key Justice Sector agencies. This committee brings together non-identifying victim complaints data from across the sector to identify trends and make service improvements. The Victims' Rights Act 2002 sets out Corrections' obligations to provide information to victims of offences, including notification of specific events relating to those who offended against them. Victims are notified of impending hearings and of Parole Board decisions within agreed timeframes.

As of 30 June 2023, there were a total of 5,903 [30 June 2022: 5,704] active registered victims of which 1,528 [30 June 2022: 1,187] were new registered victims this financial year.

During 2022/23, we received four justified complaints [2021/22: Nil]. Two complaints were from registered victims (or their representatives) who were not notified that an individual had been granted approval to enter an exclusion zone, a place the offender cannot enter without prior approval from their probation officer.

While there is no legislative requirement to notify a registered victim when this type of approval is granted, we strive to keep people informed to enable them to put in place any measures they believe appropriate to further support their safety and wellbeing.

One complaint related to the timing of notification of an offender being unmonitored on electronic monitored sentence, and the other complaint was not directly related to a Corrections victim notification, but rather a system issue relating to an evaluation of the Victim Notification App (ViNA) pilot whereby an invalid notification was erroneously sent to a victim.

Six unjustified complaints [2021/22: 3] were also received during the same period.

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

AUDITED MEASURE Assessment of performance	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2023 Budget (unaudited)	2024 Forecast (unaudited)
The number of justified complaints about notification services received from registered victims <sup>29</sup>	2	2	Nil	4	Nil	Nil

<sup>29.</sup> The Victims' Rights Act 2002 imposes clear obligations on specified agencies to provide information and aid victims of offences. This measure demonstrates that Corrections is meeting its legislative requirements and providing active victims with notification of events relating to those who offended against them.

### Our High Impact Innovation Programme focused on achieving better outcomes for people in the criminal justice system

The High Impact Innovation Programme (HIIP) is a cross-sector programme that designs and delivers improvements across the criminal justice system to establish safer and effective pathways for defendants, people in prison, whānau, and victims of crime.

In 2022/23, HIIP delivered a number of initiatives including:

 Victims Work Programme - the Better Outcomes for Victims work programme will improve how victims experience the criminal justice system. It will ensure victims feel safe, are listened to, supported and respected to ensure victims are able to safely and meaningfully participate in the criminal justice system.

HIIP is supporting the programme's pilot activity, (led by the Ministry of Justice - Te Tāhū o te Ture and Police, focused on addressing known gaps in the criminal justice system, as identified by victims. The pilots are making a real difference to victims, and insights from them will inform the design of the future operating model for supporting victims of crime. The HIIP operating model team has also completed an extensive current state analysis that includes all of the tasks performed by each agency and the interactions, direct or indirect, with victims, which will also inform a future operating model.

Working with Justice Sector agencies, the team is currently developing high-level options for a future victims operating model for endorsement with the Justice Sector Leadership Board and the Minister of Justice, with detailed design due to commence after the preferred option has been endorsed. • **Te Whānau-ā-Apanui Programme** we are leading this on behalf of the Justice Sector with an overall aim to enable Te Whānau a Apanui (an iwi of 13 hapū based in Eastern Bay of Plenty) to be an active decision-making partner in developing and delivering initiatives, which transform the experience and impact of the justice system on whānau.

The first phase of the co-designed programme, which ended in June 2023, involved six workstreams focused on:

- completing a stocktake of services, service gaps and victims' legislation
- analysis of qualitative and quantitative data for Te Whānau a Apanui living within or outside of iwi territories
- relationship building: hapū chair forum, iwi representatives, mahi group wānanga, joint governance, Regional Crown Agency leads, Police Te Pae Oranga leads
- enabling infrastructure: two multi-purpose hub whare with video-conferencing units.

The second phase of the programme has shifted to acting on the main issues identified while building on the established infrastructure and working relationships. New Te Whānau-ā-Apanuibased roles will be established and recruited. These will be key to bringing specific tangible benefits to whānau in this rohe.

Victim Notification App (ViNA) - this is our secure, online portal for communicating with victims of serious crime. ViNA enables people to receive timely notifications, and control how they receive information. In September 2023, the pilot was evaluated, and the outcomes demonstrated that while the portal increased communication choice and information security for users, it needed to be strengthened to be victim-centred and be available for victims at each stage of their interaction with the criminal justice system (from initial engagement with Police, through to sentencing processes, and engagement with Community Corrections). Following on from the evaluation, we are preparing recommendations for future enhancements to the portal.
• **Kea Project** - this helps tamariki who are impacted by the experiences of a parent's incarceration. It has now been successfully delivered at three sites (Hawke's Bay Regional Prison, Whanganui Prison, and Otago Corrections Facility), and is currently engaging with Auckland Region Women's Corrections Facility, Christchurch Women's Prison, and Tongariro Prison.

The project is looking to develop a business case to collectively deliver on the visit spaces upgrade as part of delivering to Hōkai Rangi action items. In 2023, the Kea Project was a finalist in the Te Kawa Mataaho – Public Service Commission Spirit of Service Awards.

• **Remand Action Plan** - this was developed alongside our justice sector partners to address ongoing delays in the criminal Justice System and the impact this has on the remand population. Some of the immediate steps we have taken include supporting Police to work through prosecution files and increasing the number of staff in our Bail Support Services and Sentencing Ready teams to ensure defendants and the court have the information required to proceed sentencing matters as scheduled.

We are currently supporting our partner agencies to develop medium- and long-term initiatives to address pressures in the criminal justice system that lead to delays in sentencing processes. • District Court Timeliness Programme - this is aimed at improving the timeliness of case progression through the criminal justice system. We led the design and implementation of solutions to reduce the failure of defendants to appear at court events. This included the court notice of bail process and updating the court text message reminder system.

We also provided guidance to our Community Corrections teams on processes that can be implemented to reduce delays in the sentencing process. Focus areas covered timely completion of advisory reports to the court and implementing an active case-management approach in the registry to improve the readiness of sentencing files.

- Te Pae Oranga (TPO) Corrections referral pilot - this focuses on 'breaches of courtconditions' associated with community-based sentences (supervision, community work, intensive supervision), and is being piloted in five locations – Te Tai Tokerau Northland, Wellington, Christchurch, Nelson/West Coast, and Southland. Originally 80 referrals were funded through the Police TPO pilot. The total number of approved referrals to providers is 54 across all locations.
- Additionally, in 2022/23, HIIP delivered three pilots:
  - » Strengthen the criminal justice approach to child victims of sexual violence
  - Safety planning and coordination
  - » Ensuring victims' voices in bail decisions.



Reducing reoffending through rehabilitation and reintegration

### Planning the rehabilitation and reintegration pathway

Our rehabilitation and reintegration services support people to address the causes of their offending, build positive relationships, and gain valuable life and employment skills that help improve their wellbeing and change their lives for the better.

By helping people break the cycle of reoffending we also help keep the public safe.

In prisons, our case managers work one-on-one with people to identify the causes of their offending and connect them to appropriate rehabilitation programmes, educational opportunities, and reintegration services.

In the community, probation officers take on the role of case manager, helping the people they manage to address the causes of their offending and offering access to programmes and services to address their rehabilitative needs.

Education tutors, industry instructors, reintegration service providers, whānau, iwi partners, and many other staff and external partners also play an important role in this process. Psychologists and programme facilitators also assist people in prison and those on community-based sentences and orders. In 2022/23, case managers and probation officers prepared more than 32,000 offender plans (9,307 for prisoners, and 22,755 for people in the community). Each person presents with a diverse background and range of needs. The completion of these plans in a timely manner enables the best possible opportunity for people to participate in activities that will contribute to addressing their identified needs.

This year 78% of all plans were received within the recommended timeframes (comprised of 75% in prison, 79% in the community), compared to 81% in 2021/22 (comprised of 75% in prison, 84% in the community).

Timeliness of reporting was impacted during the year due to staffing pressures in both prisons and the community, as well as an expected lag associated with onboarding and supporting new staff as they transition to taking on full caseloads.

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

AUDITED MEASURE	2020	2021	2022	2023	2023	2024
Assessment of performance	Actual	Actual	Actual	Actual	Budget	Forecast
					(unaudited)	(unaudited)
The proportion of all offenders entitled to receive an offender plan that received one within Standards of Practice timeframes	82%	82%	81%	78%	Greater than or equal to 85%	Greater than or equal to 85%

### The Māori Pathways programme is improving rehabilitation through kaupapa Māori approaches

The Māori Pathways programme aims to assist in reducing the overrepresentation of Māori within the justice system by using kaupapa Māori and whānaucentred rehabilitative approaches.

The programme is designed and implemented with iwi, hapū, mana whenua, whānau, Māori providers, and people with lived experience of the corrections system. It is focused on three prisons and Community Corrections sites in Te Tai Tokerau Northland, Hawke's Bay, and Ōtautahi Christchurch.

In 2022/23, we implemented:

- the Tēnei Au, Tēnei Au programme to address intergenerational trauma. During 2022/23, 51 men completed the programme.
- the Te Waka Anga Mua programme at Northland Region Corrections Facility which helps people with their whakapapa to build positive relationships and whānau connections. Sixty men graduated from the programme.

- Paiheretia Te Muka Tangata, a cross-agency initiative with Te Puni Kōkiri - Ministry of Māori Development and the Ministry of Social Development - Te Manatū Whakahiato Ora in partnership with Māori organisations. This enables people and their whānau to access rehabilitation and reintegration services. In 2022/23, 360 people participated in this initiative.
- a training package for staff focusing on practice delivery that combines clinical and cultural elements in Community Corrections sites in Te Tai Tokerau Northland and the Northland Region Corrections Facility.

In 2023/24, we plan to:

- introduce Whānau Manaaki plans into Hawke's Bay Community Corrections sites
- establish the Access to Support Men initiative in Hawke's Bay in partnership with iwi to help people access support services in the community to enable them to achieve the goals identified in their Whānau Manaaki plans
- repurpose the external self-care units in Northland Region Corrections Facility to help people integrate with their whānau and the community.



### *Te Mana Wāhine Pathway - our kaupapa Māori services for wāhine - is responsive to the specific needs of Māori wāhine in the criminal justice system*

The pathway was designed with input from mana whenua Te Taumutu Rūnanga and Ngāi Tūāhuriri, kaupapa Māori providers He Waka Tapu and Te Rūnanga o Ngā Maata Waka, Te Pūtahitanga Whānau Ora Commissioning Agency Southern Region, and people with lived experience of the corrections system.

Christchurch Women's Prison and the wider southern region are key areas of focus for Te Mana Wāhine. The Pathway has been established in the Huritini unit at Christchurch Women's Prison, and we are also developing initiatives to support women on release in the community. As of 30 June 2023, 99 women have participated in the pathway in prison and in the community.

#### In 2022/23, we:

- implemented four kaupapa Māori programmes at Christchurch Women's Prison that are whakapapa and whānau-centred
- introduced Whare o Hine plans, which have been co-designed with Māori providers, as a tool for people to identify their goals, aspirations, and have control of their journey
- commenced the development of culturally appropriate spaces for women and their whānau at Christchurch Women's Prison
- started evaluating how the pathway is being implemented, with findings from this evaluation informing our next steps to improve service delivery.

In 2023/24, we will work towards establishing kaupapa Māori community-based programmes for women and will confirm approval for the implementation of culturally appropriate spaces for women and their whānau in Community Corrections sites within the region.



## Case study: **Tenei Au, Tenei Au one year on**



November 2022 marked one year since Tēnei Au, Tēnei Au began. The programme encompasses Māori Pathways approaches for men in high security at Hawke's Bay Regional Prison, using a kaupapa Māori approach that aims to address intergenerational trauma through exploring cultural norms and Kahungunutanga.

Principal Service Designer George Reedy says the programme was "a remarkable shift" in the way we work. "When we walk alongside these men, we become part of their healing and journey to rehabilitation."

For participants, the programme has provided a sense of purpose and viewing themselves from a te ao Māori perspective has helped shape their identities. Participants spoke of encouraging others to sign up to the programme, wanting them to get to know who they are and break the cycle of imprisonment. "This is our time to change, our fathers have been here, we never want to see our sons and daughters go to jail."

George says the gift of Tēnei Au, Tēnei Au, the mātauranga Māori participants have learned, gives them the opportunity to change the trajectory of their lives. "They have the ability to do better with this knowledge, be the changemaker in their family, be the cycle breaker."

### Addressing the reasons why a person offends

#### Despite the challenges of COVID-19 and staffing, we remained committed to providing effective, evidence-based treatment to people.

As of 30 June 2023, we employed 156 psychologists (2021/22: 149) and 249 trained programme facilitators (2021/22: 200) who work directly with people in our management.

## Our delivery of rehabilitation programmes for the year

In 2021/22 our ability to deliver programmes was significantly impacted due to COVID-19. Restrictions put in place at that time to ensure the safety of our staff and people in our management meant we had to find new and innovative means of delivering programmes in both prisons and the community. The easing of some of those restrictions in 2022/23 saw some return to a sense of normality. However, we faced a new set of challenges in respect of programmes delivery, ones heavily influenced by staffing pressures, particularly in prisons. Despite this, we have continued to review and adapt our delivery models and worked flexibly to provide programmes under restricted circumstances.

While we continue to provide programmes both individually one-on-one and in group settings for people at high and medium risk of reoffending, delivery of programmes in prisons in particular has been prioritised for key mandated and wellbeingrelated activities. Although staffing levels impacted our full delivery of rehabilitation programmes over the course of the year, it is important to note that these programmes are one part of a person's pathway through prison.

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

In 2022/23, 2,631 [2021/22: 2,086] rehabilitation programmes were started in prisons and a further 2,970 [2021/22: 2,271] were started in the community. These results reflect increases of 26% and 31% in the number of programmes started in prisons and the community respectively, when compared to the previous year.

Eighty-four percent [2021/22: 80%] of prison-based programmes, and 69% [2021/22: 58%] of communitybased programmes were successfully completed in the same period, with performance across both measures increasing to levels more closely aligned to 2020/21, pre COVID-19. Contributing to the favourable performance in 2022/23 was a notable reduction in the number of people being exited from programmes when compared to the previous financial year. The higher level of exits in 2021/22 was largely a result of programmes being cancelled part way through the year due to ongoing impacts of COVID-19.

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

AUDITED MEASURES	2020	2021	2022	2023	2023	2024
Assessment of performance	Actual	Actual	Actual	Actual	Budget	Forecast
					(unaudited)	(unaudited)
The percentage of offenders who	start and com	plete a reha	bilitation pr	rogramme:		
Prisoners	85%	88%	80%	84%	Greater than or equal to 85%	Greater than or equal to 85%
Community-based offenders	63%	68%	58%	69%	Greater than or equal to 65%	Greater than or equal to 65%

### We redesigned and reviewed programmes from a mātauranga Māori viewpoint and made evidence-based decisions about programme delivery

The Short Intervention Programme for people who have offended sexually against children and young people has been discontinued due to low efficacy. This will enable resources to be focused on people who are assessed as falling in the high risk bands.

A new medium-intensity programme, to be delivered by psychologists, has been developed to meet the needs of this group. These changes more closely align our programmes with evidence-based practice. We are also trialing a programme for people assessed as average-risk/need who have sexually offended against adult females. People with sexual offending against children who have been assessed as falling in the lowest risk bands (very low-risk/below average-risk) will work with their case managers to focus on relapse prevention, strengthening their reintegration plan, and parole readiness.

For people serving community-based sentences who have offended sexually against children but do not meet the risk threshold for offence-focused psychological interventions, we extended our agreement with Korowai Tumanako to provide kaupapa Māori based support. The agreement is part of our Harmful Sexual Behavior Contracts, which also includes assessment and treatment interventions delivered by Safe Network, WellStop, and STOP.

We also designed the Tikanga Takirua framework to promote mātauranga Māori and kaupapa Māori knowledge and practices to the same level as psychological theories and practices. It is hoped that this model will support people in our management to have their cultural needs considered and met.



## Case study: Te Tirohanga celebrates 25 years



Hawke's Bay Regional Prison marked the 25th anniversary since the opening of Te Tirohanga, the first Māori Focus unit in the country. Prison Director George Massingham is proud to back the success of Te Tirohanga. "We were the first ever prison to operate a unit in this way. This is significant and worthy of celebration."

The Māori Focus unit provides a rehabilitation pathway founded on a kaupapa Māori therapeutic environment. Up to 10 participants can enter the unit on a quarterly basis where they participate in tikanga and rehabilitative courses. The unit also provides education and training opportunities within the unit and wider prison. Pou Ārahi Marlon Hodges emphasised the value of utilising a te ao Māori approach saying, "if we only approach a situation with a mindset of the physical realm we will only see shifts in the physical sense." "In this place, there's a lot of mamae that requires spiritual shifts. Te ao Māori is the answer."

George also highlights the value of the work from staff. "I want to thank those staff who work in Te Tirohanga currently and those who have worked in there previously. You have allowed something different to flourish and deliver opportunity beyond our norm."

### We are ensuring these programmes are responsive to the specific needs of women

As part of the wider Wāhine - E rere ana ki pae hau Women's Strategy, the Kōwhiritanga programme for women in prisons and community is under review. The review is considering the benefits and drawbacks of the programme from a dual perspective of mātauranga Māori and psychology.

Tikanga Takirua (mentioned on page 80) will be vital to ensuring both bodies of knowledge and practice are employed in the review. An essential element is the lived experience interviews with the women who have participated in a Kōwhiritanga programme (prison and community).

Extensive efforts have been undertaken to reduce inequities in rehabilitation options for women. The high intensity Kimihia programme for women in our management was extensively redesigned to realign the intervention with equal consideration to both Western and te ao Māori philosophies. This was done based on the Tikanga Takirua approach to ensure Māori voices (through both internal and contracted experts) were heard at all stages of design and testing. In 2022/23, the first Kimihia programme began at Christchurch Women's Prison, delivered by the newly established Psychological Services team there.

We are also working to establish a therapeutic unit at Auckland Region Women's Corrections Facility from which the programme will also be offered.

### We developed a culturally informed process for assessing people's eligibility for medium intensity programmes

Te Whakatōmene (to explore or investigate) is the name of the new process that will replace all pre-programme assessments for our medium intensity suite of programmes.

Te Whakatōmene is a culturally informed assessment process which focuses explicitly on weaving together Māori cultural frameworks and psychological methodologies to better support people under our management. It is designed to have a dual focus on risk reduction and the identity and priorities of the individual.

It has been rolled out nationally since October 2022 as the main assessment framework for people who are at medium risk of serious offending, including in our Te Whare Hāpai Tangata, (Youth) Programmes, Medium Intensity Rehabilitation Programme, Kōwhiritanga, and Short Rehabilitation Programme.



### We provided specialised interventions for people with histories of violent offending

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

Kaupapa Māori Practitioner roles have also been integrated into the structure of the STUs to allow for more access to cultural support/expertise for people in our management.

In 2022/23, 200 people started a programme in one of six prison-based STUs around the country (2021/22: 175). We piloted a new STU programme for young adults within one of our existing STUs and worked on the design of wrap-around services for this cohort.

Young adults (under 25) who are ineligible or unable to participate in one of our STUs and are at high risk of offending, may be able to engage in treatment through the Young Adult Intervention being delivered by psychologists either individually or in a small group format. Psychologists develop tailored treatment plans to address the offending of individuals which take into account their development stage, experiences of trauma, and any other barriers to treatment.

In 2022/23, 50 people started and 23 completed the Young Adult Intervention [2021/22: 76 starts, 55 completes].

We also provide the Short Violence Prevention Programme (SVPP) for men in prison with a history of serious or repeated violence serving a short sentence, or the Violence Prevention Intervention (VPI), which is a modified version of the programme being delivered when restrictions do not allow for a group-based model.

In 2022/23, 41 people started and 25 completed the SVPP or VPI programme [2021/22: 37 starts, 11 completes].

Eighteen people also started our Hamilton community-based Tai Aroha STU in 2022/23 [2021/22: 11]. This service provides treatment and support to people at high risk of violence who are on home detention sentences.



### Providing alcohol and other drugs (AOD) interventions

## Providing alcohol and other drugs interventions

Alcohol and other drug (AOD) misuse and addiction is a common condition for many of the people in the corrections system.<sup>30</sup> Sixty percent of people on a community-based sentence or order, and 87% of people in prison have an identified alcohol or other drug disorder. Substance misuse can impact wellbeing, and potentially contribute to offending alongside limiting success in other offencefocused rehabilitation programmes and wellbeing interventions.

### We made good progress on key areas of our Alcohol and Other Drugs Strategy

Our Alcohol and Other Drugs Strategy, introduced in November 2021, is a key element of reducing reoffending. It has set out a new direction that uses a recovery and wellbeing approach, centred around mātauranga Māori.

By taking a wellbeing focus, the strategy moves from a deficit approach to focus on enabling oranga (wellbeing) and rethinking how Corrections can address substance use in our policies and practices.

In 2022/23, we established three new drug treatment programmes which have improved access and choice to a range of programmes, while matching the needs and risk profiles of people in prison. We continued to develop our clinical staff through the provision of scholarships to enhance their skillset and have strengthened our partnership with Māori service providers, with 50% of our providers being kaupapa Māori.

In 2023/24, we will establish a new alcohol and other drug service at Auckland South Corrections Facility, with work underway to establish mental health and addictions clinical staff at the facility. We will also increase aftercare services in the community through the recruitment of additional aftercare workers and will focus on locating these services in areas where the greatest need exists.

### We developed a better understanding of where our AOD services are most needed

In November 2022, we completed a needs analysis across the prison network. This identified where services were needed, where adaptation of the service was required, where there were gaps in service provision across the network, and if there was the need for a revised pathway of care.

It also considered an operating model that allowed for flexibility and adaptability to respond to changes in the prison context (for example, demand, workforce issues, changing prisoner population).

As a result, He Ara Whakapiki Oranga (the new pathway/model of care) was developed in the first half of 2023 to address the varied needs of people in prison:

- those coming into prison (safety and stabilisation)
- those who experience low to mild degrees of substance use disorder (harm minimisation)
- those experiencing impacts that often are associated with heightened risk of reoffending (oranga and recidivism).

This model describes the components of an effective system and a potential continuum of interventions that will ensure access and choice to timely and appropriate services. The provision of a consistent approach will create greater reach of AOD services. All new commissioning of services will align with this new pathway.

We established a new AOD residential programme at Auckland Region Women's Corrections Facility in line with the new pathway of care, offering services for low, moderate, or high needs, for up to six months duration.

## We delivered prison-based treatment and interventions

As of 30 June 2023, we had 17 alcohol and other drug programmes across 14 prisons. These include gender responsive programmes for women, a programme supporting both those in prison and their whānau in the community, and programmes embedded in Te Tirohanga Units. These programmes are complemented by other activities such as education and rehabilitative courses.

A total of 767 [2021/22: 723] people in prison and 242 [2021/22: 224] people in the community started a core alcohol or other drug programme in 2022/23.

All prison-based treatments and interventions have been impacted by staffing challenges over the past year, and some programmes have been unable to operate, or have had to run with reduced numbers.

### Drug Treatment Programmes (three to 12 months)

During 2022/23, Drug Treatment Programmes (DTP) were offered in nine of our prisons (2021/22: 11) to provide AOD treatment over the course of three to 12 months.

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

In 2022/23, 592 people started a DTP [2021/22: 613], while 543 people completed the programmes during the same period [2021/22: 571]. The completion rates for the three-month, six-month, and 12-month DTPs were 75%, 88%, and 83% respectively. The overall completion rates for DTP programmes were 87% [2021/22: 78%].

A new AOD service, Te Ara Tiaho, was introduced at Rolleston Prison. It was developed to strengthen the wellbeing of men and their whānau by delivering a needs-based addiction treatment programme through the enhancement of cultural identity and a sense of belonging. A key component of Te Ara Tiaho is comprehensive AOD assessments and comprises three possible streams – brief intervention, day programme, and one-on-one counselling for those assessed as being unable to participate in group work.

The effectiveness of our longer DTPs is assessed as part of the annual Rehabilitation Quotient (see pages 201-202).

The three-month DTP at Arohata Prison was closed in January 2023 as we determined it would be better placed at Auckland Region Women's Corrections Facility. A new six-month AOD residential programme, Te Ira Oranga, was also established at Auckland Region Women's Corrections Facility, offering services for low, moderate, or high need. This service began assessments in June 2023.

The 12-month DTP at Spring Hill Corrections Facility ended in 2022, reflecting a change in the population mix, and plans were put in place for a brief intervention programme in remand. The intention is that this will be established in early 2024.

#### Alcohol and Other Drug (AOD) Intensive Treatment Programmes (eight weeks)

The Intensive Treatment Programme (ITP) was delivered in five of our prisons. This is an eight-week long intervention that provides participants with the knowledge, attitudes, and skills required to address their substance use.

The programme includes a comprehensive assessment, and incorporates kaupapa Māori and aftercare components to ensure participants remain supported during and upon completion of the programme.

In 2022/23, 147 people started the Alcohol and Drug Intensive Treatment Programme (ITP) [2021/22: 81] while 118 people completed the programme [2021/22: 91] during the same period. The completion rate for the ITP was 84% [2021/22: 69%].

## Other rehabilitation and support initiatives

### Gender-responsive and youth programmes

Te Ira Wāhine (a gender-responsive treatment programme for women) continues to operate in Auckland Region Women's Corrections Facility. Tāmaua te Koronga (a youth-focused programme) is no longer operating in Hawke's Bay Regional Prison. Due to reductions in the youth population in prison, and the transfer of people from the Youth Unit at Hawke's Bay Regional Prison, Tāmaua te Koronga has been unable to secure sufficient numbers. It is now operating in the community.

These two programmes were designed to be traumainformed and are delivered by kaupapa Māori providers. Te Ira Wāhine is delivered in a high security unit, and Tāmaua te Koronga was alternatively run between a youth unit and a high security unit with men who are under 25 years of age.

In 2022/23, the number of people who started Te Ira Wāhine was 15 [2021/22: 14], and for Tāmaua te Koronga the number was four [2021/22: 15]. The completion rates for Te Ira Wāhine and Tāmaua te Koronga were 70% [2021/22: 54%] and 67% [2021/22: 65%] respectively for each programme.

The completion rates for these programmes are less than that of the Drug Treatment Programmes, a reflection of the complex nature of the high security and youth units. The completion rates also reflect people who have exited the corrections system, or who have moved between facilities.

He Waka Tōtika is a kaupapa Māori service delivered by mana whenua, Waihōpai for men and women. This service can take up to 36 people per year and works with whānau of those people to support transition back into the community. To date the numbers being engaged with the programme have been limited, and we are working with the provider to further develop the programme.

### We provided aftercare support to help people stay free from alcohol and other drugs

#### Alcohol and Other Drugs Aftercare Worker Service

Aftercare services help people who have already completed an AOD programme in prison or the community to maintain the positive gains they have made in addressing their substance use.

The Aftercare Worker Service was introduced in 2016 as an optional service for those who have successfully completed either a drug treatment or intensive treatment programme. It includes group and oneon-one sessions to support participants to maintain the changes they achieved during their treatment and avoid triggers for relapse. This support is available for up to 12 months.

We now have 20 full-time equivalent aftercare workers (2021/22: 12.5) based across 12 prisons (2021/22: 10). In 2022/23, aftercare workers provided services for more than 160 people in prison and after release. We are in the process of securing another 15 aftercare positions for service provision in the community. Locations that would benefit most from this service have been identified, with the positions to be placed in provincial and rurally located Community Corrections sites. The initial plan for the procurement of these services has been modified due to the impact of Cyclone Gabrielle on specific sites.

### RecoveRing – alcohol and other drug support line

RecoveRing is a free support line for people in prison and in the community, specialising in alcohol and other drug abuse issues. The service is available 24/7, and provides people affected by drug abuse with access to information and advice from qualified and registered practitioners who specialise in addictions.

The service provides access to continued support and a referral pathway to help them to maintain their recovery and access follow-up support.

In 2022/23, 253 phone calls [2021/22: 617] and 266 emails [2021/22: 187] were answered by the RecoveRing support line.

## Helping people transform their lives through education, training, and employment

Supporting people in prison with education, training and employment helps lower their chances of reoffending by supporting other avenues for productive and meaningful participation in the community.

### We are working to ensure more people in prison can access quality education and training that aligns with their goals

Previously, we reported on the number of learning pathways our education tutors prepared during a year for people in prison. While this reflected the work done by our staff, it was less reflective of the proportion of people in prison who have a current learning pathway. Therefore, we now record the number of people supported to plan their learning pathway. In 2022/23, 5,644 people in prison were supported to plan their learning pathway (51% of the remand population and 78% of the sentenced population).

Prison-based qualifications are now easier to access because of the newly formed relationship with Te Pūkenga, the New Zealand Institute of Skills and Technology incorporates polytechnics and industry training organisations nationally and allows us to access qualification opportunities with these organisations through one provider. This allows learners to transition easily between learning in the prison and the community, and allows us to work alongside the provider to tailor the education being offered to our specific learner needs.

We continue to support people who want to strengthen their literacy and numeracy skills and work with Te Wānanga o Aotearoa to deliver a national intensive literacy and numeracy programme.

In 2022/23, 648 people received intensive literacy and numeracy support in prison [2021/22: 556]. As of 30 June 2023, the percentage of people in prison who have English literacy competency increased to 62%, up from 29% in our baseline year of 2012. We also distributed te reo resources to 18 prison site libraries.

We are committed to improving education and vocational training outcomes for people in prison. A new Literacy and Numeracy Support Service for people in prison began on 1 July 2023. The service delivers a culturally responsive curriculum delivered by tutors who are not just qualified in embedding literacy and numeracy with adult learners, but who also hold qualifications in te reo and/or tikanga.

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

AUDITED MEASURE	2020	2021	2022	2023	2023	2024
Assessment of performance	Actual	Actual	Actual	Actual	Budget	Forecast
					(unaudited)	(unaudited)
The proportion of prisoners who have completed an intensive literacy and numeracy programme who demonstrate statistically significant gains	49%	70% <sup>31</sup>	72%	72%	Greater than or equal to 35%	Greater than or equal to 35%

<sup>31.</sup> The calculation methodology was refined for the 2020/21 financial year. Performance was previously based on the proportion of assessments that showed a statistically significant gain in literacy and/or numeracy, whereas now performance is based on the proportion of people who have been assessed as achieving a statistically significant gain in literacy and/or numeracy. Prior year actuals have not been restated.

### Our prisons provided industry qualifications and employment opportunities

Industry qualifications ranged from building and construction, to manufacturing and engineering, horticulture, farming, and hospitality. Vocational short courses included first aid, health and safety, scaffolding, and forklift operation. We are working with our providers to better align qualification offerings to industry and employment opportunities in the community.

We have more than 300 industry instructors who provide industry training for those working in prison industries, and we partner with a variety of education providers who accredit our industry training qualifications. Industry instructors are trained custodial staff and have played an important role in supporting custodial functions throughout the staffing challenges the prisons have faced.

There are also opportunities for people in prison to undertake employment, with more than 150 businesslike industries in prisons across the country, ranging from catering to dairy farming.

We also operate a Release to Work programme, which allows people classified as minimum security, and assessed as suitable, to engage in paid employment in the community. Participants have previously taken part in prison-based activities and education to ensure they are well prepared for community-based employment, and that the public are safe.

### Despite staffing challenges, people in prison continued to engage in industry, treatment and learning activities

The intent of engaging people in prison in industry, treatment and learning activities is to provide the skills and opportunities they need to take greater control of their lives, with the aim of staying crime-free on release.

All people in prison are considered eligible to engage and are assessed for suitability as part of their induction. We encourage people in prison to be engaged in a 40-hour week, however, this is not always practicable for those on remand, in high or maximum security, segregated or medically unfit.

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

Reported performance reflects disruptions to industry, treatment and learning activity delivery this year largely attributable to staffing challenges. Operating conditions have improved at some sites across the network following considerable efforts to recommence non-essential activities in prisons that were significantly impacted by COVID-19, albeit at reduced volumes for some activities. This has had a positive impact on this year's performance when compared to 2021/22.

AUDITED MEASURE	2020	2021	2022	2023	2023	2024
Assessment of performance	Actual	Actual	Actual	Actual	Budget	Forecast
					(unaudited)	(unaudited)
The percentage of target hours prisoners are engaged in industry, treatment and learning activities <sup>32</sup>	73%	86%	48%	74%	Greater than or equal to 80%	Removed from 2024 <sup>33</sup>

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



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

As of 30 June 2023





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## Case study: Laying the foundations for participation



The Rolleston Prison construction yard has been teaching people in prison valuable life skills through the construction of new builds for Kāinga Ora – Homes and Communities.

"The purpose of the Construction Yard is to give back to the community and to support the men in prison to have better life options on release," says Industries Manager, John Bryant. "The employable skills and qualifications earned through the Yard offer the men opportunities for further study and employment on release. But, as important as these practical skills and qualifications are, the other less tangible skills they are developing will help them make the most of these opportunities and, potentially, will make the biggest difference for them and their whānau going forward."

Qualified builder and instructor, Lee Tyson, says staff see a real change in people working in the yard and that it provides the perfect environment for the men to put their rehabilitation learnings into practice; growing their social skills, confidence, and ability to work with other people. "The men are dealing with things they'll have to adjust to on the outside – relationship challenges, making mistakes, patience for themselves and others, perseverance and staying calm under pressure... The yard gives them space to challenge and practice these behaviours - a safe place where it's okay to make mistakes."

"We have men who have mental health issues or struggle to communicate, and this work builds them up, giving them confidence to succeed in their rehabilitation," says Lee. "Others learn to share their skills and take on leadership roles within the work party, building their ability to make a life outside the wire, away from crime."

The construction yard focuses on building real-life skills and works in a similar way to a building site in the community - the men have toolbox meetings and scheduled breaks, and are led by instructors who are qualified builders themselves.

## Helping people safely and successfully transition back into their communities

#### We have a wide range of reintegration services to help people maintain positive changes in their lives and break the cycle of reoffending.

These include navigation services, supported accommodation, employment services, and longerterm intensive residential services involving wraparound support.

### We supported people on shorter sentences and remand with their reintegration needs

Our Out of Gate reintegration service helps people on short sentences and remand find employment and accommodation and connect with community providers. The service works towards addressing a person's reintegrative needs identified in their reintegration plan. It is based on six pillars of reintegration:

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

In 2022/23, 1,798 assessments were completed for Out of Gate services [2021/22:1,425].

### We helped people serving longer sentences prepare for their transition back into their community

People serving prison sentences of more than two years require dedicated support to carefully manage their transition back into the community. This can involve pre-release planning with case managers, probation officers and other external partners. It can include placement in internal or external self-care units to provide people with an intermediate step between prison and life in the community. The self-care environment teaches people independent living skills by enabling them to take control of their day-to-day needs. People serving a long prison sentence who are nearing their release date can also apply to leave prison for short periods to access guided release reintegration activities.

Through our Guided Release programme, we supported people in prison to access reintegration activities that helped their safe transition into the community.

These activities include participating in pre-release meetings with probation officers, organising bank accounts, registering with a local doctor, visiting potential accommodation providers, and meeting with future employers. Every person is strictly vetted prior to undertaking guided release activities and equipped with an electronic monitoring anklet.

We also focused on strengthening our delivery of te ao Māori based guided release outings. We have started doing this by undertaking meetings at local marae with iwi and whānau, prioritising kanohi ki te kanohi (faceto-face) hui, and organising outings with a whānau connected approach to ensure we meet the cultural and spiritual needs of people such as supporting a person to visit whānau at an urupā (cemetery).

COVID-19 continued to impact some guided release and other temporary release activities, especially in the first half of the 2022/23 year. Consequently, in 2022/23 there were 589 guided release applications approved [2021/22: 419].

## Case study: Kiwi Access Cards Online



The Kiwi Access Card Online project has been helping prisons implement a new process for people to apply for recognised photo identification.

Having access to a photo ID card for people in prison is critical to help them secure basic services such as banking, rental housing, or employment as they ready themselves for release. Until now, the process has involved an external agency visiting sites at significant cost to facilitate card applications. Corrections has worked with Hospitality NZ to deliver an easier process for people in prison needing photo ID. The process involves applications for Kiwi Access Cards being completed online and on request from within prison, eliminating the need for escorted outings or temporary releases, and making the process faster, simpler, and less costly.

The project is being piloted in four prisons. Following feedback from these pilots a staged roll out of the project to all prison sites will be planned.

## *We supported people into stable employment*

Our This Way for Work employment service helps people with an offending history find and maintain employment, alongside supporting the employers who hire them. In 2022/23, 948 people [2021/22: 1,016] were placed into employment.

Since the inception of the service in November 2016, the programme has worked with over 2,800 small, medium, and large businesses, and has placed more than 7,400 people into employment.

We continued to ensure staff have what they need to deliver employment outcomes to people with an offending history. In 2022/23, we provided regional staff with training sessions covering all aspects of the employment service process. Initially delivered in online drop-in style sessions, these training presentations are now available for all new staff (or those who need a refresher) to access and work through in their own time.

We also introduced two new policies to ensure the safety and wellbeing of people on employment placements. The policies outline processes for staff to follow when placing people into safety sensitive roles as well as ensuring that people are placed into employment organisations which follow good Health and Safety practices.

### We established more housing, support services and communitybased reintegration pathways through our Housing Support Services initiative

Not every person we manage requires accommodation and support services, but where this is needed, we help people find a place to live so they can better reintegrate back into the community. The Housing Support Services initiative delivers new services, often in partnership with iwi, to increase the amount of safe and suitable housing options for the broad range of people in our management. Through providing accommodation, alongside support services, we help reduce people's likelihood of reoffending, which ultimately delivers better outcomes for them and keeps our communities safe.

In 2022/23, our Housing Support Services initiative continued to provide people with accommodation support. This included:

- Offering a 24-bed iwi-led service Te Whare Whakaruruhau o Raumanuka, in conjunction with Te Āti Awa and Ngāti Toa. The service received its first residents in August 2022.
- Opening a new community based kaupapa Māori reintegration service in Hamilton delivered by Te Kōhao Health Limited in November 2022. Te Whare Puutikitiki Te Ara Whakapai is a 24/7 accommodation service and can assist up to 26 residents to reintegrate safely back into the community and reconnect with their whānau, hapū, iwi, Kiingitanga, and tikanga.
- Establishing a community liaison group in March 2023 to enable neighbours to provide feedback on how a new 15-bed service in Te Puke can be operated and incorporated into the community. The service will be open by the end of 2023 and will be run by Manaaki Support Services.

As of August 2023, the initiative has successfully provided 227 beds, surpassing the initial goal of 188 by an additional 39 beds.



## Case study: Community Work Thriving in Southland



Track maintenance underway at Foveaux Walkway as part of the Joint Agency Workplan

A partnership between Corrections, Invercargill City Council (ICC), Department of Conservation – Te Papa Atawhai (DOC), Hokonui Rūnaka, Te Tapu o Tāne, and Bluff Motupōhue Environmental Trust is helping people on community work sentences learn valuable employment skills while also benefitting local projects.

Together the agencies have developed a workplan setting out four-to-eight-week blocks of work for people on community work to complete with each agency.

"We used to deal with each agency separately, but by coming together to create a workplan, we can more consistently complete projects, making regional developments happen faster, and provide a greater range of skills for people on community work to learn," says Senior Community Work Supervisor Dave Madden. Work has included track maintenance at community sites such as Foveaux Walkway and Lake Waituna, and the planting of 8,000 native plants in environmental reserves and walking tracks on Bluff Hill Motopohue.

Work is underway to recognise the contribution of people on community work through certificates that will reflect the skills they've learnt and given out depending on people's level of effort. "A huge part of community work is giving people skills that can help them find employment," says Dave. "Our new way of working is adding to this through longer experience with organisations like ICC or DOC."

"Above and beyond that, this new workplan gives people a sense of pride in their work and recognition for how they have benefited the community."

## While we still made a large number of referrals, our numbers were impacted this year

In 2022/23, 3,670 referrals made to reintegration service providers resulted in a service start [2021/22: 2,943]. Access restrictions have meant that providers and prison sites, in particular, had to facilitate assessments remotely either over the telephone or audio visual link where available. Due to the limited availability of these resources, and the reliance on frontline staff to be available to facilitate the calls, both reintegration referrals, and subsequent service starts, were impacted this year.

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

AUDITED MEASURE Assessment of performance	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2023 Budget (unaudited)	2024 Forecast (unaudited)
Total number of referrals made to reintegration services that resulted in a start	2,719	4,398	2,943	3,670	4,000	4,000

### We can't do this work alone

Our partnerships and volunteers are crucial in helping us provide rehabilitation and reintegration support. In particular, developing, improving and strengthening relationships with Māori is an important part of our work with Hōkai Rangi.

Due to the COVID-19 restrictions and staffing levels, 343 volunteers made 2,578 visits, while 39 kaiwhakamana (kaumātua who have access to prisons) made 355 visits in the past year.

The top five volunteer activities that have been delivered are religious and spiritual services, cultural services, literacy services, alcohol anonymous support, and art, crafts, and recreational activities.

Our partnerships with community groups, councils, government agencies, and non-profit organisations also help us secure suitable, beneficial projects for people serving community work sentences which help them give back to their communities and enhance their work habits.



Together with Mobility Dogs, we run Puppies in Prison. This programme sees people in prison caring for and training dogs who are then partnered with people living with disabilities.

# Our organisational health

### Ensuring strong governance, assurance, and oversight

Corrections has robust governance, assurance, and oversight arrangements to ensure the people we manage are treated fairly, the corrections system is operating effectively, and we use public funds appropriately.

We are making good progress in delivering on Hōkai Rangi and expanded on this in August 2023 with the confirmation of our organisational structure, Hōkai Rangi – The Pathway Forward – Te Ara Whakamua. Te Ara Whakamua will see changes to parts of our organisational structure to improve clarity of roles and related accountability, including our Executive Leadership Team. This will allow us to build a more effective platform for continuing our delivery of Hōkai Rangi and achieving our strategic goals.

Our Executive Leadership Team meets regularly to discuss strategic performance and operational challenges and opportunities. Governance structures at every level of Corrections provide clear escalation channels to ensure critical issues are visible at the highest levels of the organisation.

Key governance groups are outlined on this page. Many other advisory groups and boards meet regularly to oversee specific areas of our operations.

#### Key executive governance groups

- The Executive Leadership Team Strategy Committee sets and executes our long-term strategic direction in line with Hōkai Rangi and the wider justice sector and the Government's strategic priorities.
- The Investment Committee directs investment and resources to carry out Corrections' and the Government's strategic objectives.

- The Organisational Performance Committee provides organisation-wide oversight and governance of the integrated performance of Corrections in line with its strategic priorities, and governance over assurance activities. This Committee also reviews recommendations from the Office of the Inspectorate – Te Tari Tirohia and the Office of the Ombudsman – Kaitiaki Mana Tangata.
- The Audit and Risk Committee is independently chaired and provides advice on our risk processes, assurance programmes, and control environment.
- We have targeted portfolio committees which oversee the operating performance and business change aspects of their various assets, programmes, and projects.

## Key operational and policy-based governance groups

- The Health, Safety and Wellbeing Risk Governance Group focuses on serious risks to health and safety, notably effective hazard identification and risk management.
- The Wellness and Wellbeing Insights & Advisory Group for People in the Care of Ara Poutama Aotearoa includes seven independent members and offers advice on areas where improvements to welfare and wellbeing can be considered and achieved. It also considers how to address issues raised through inspections undertaken by the Office of the Ombudsman – Kaitiaki Mana Tangata and the Office of the Inspectorate – Te Tari Tirohia.
- The Security Reference Group is a crossfunctional group supporting the Chief Security Officer to coordinate security controls, review security incidents, and recommend appropriate process improvements.

# *How the Chief Executive and prison directors implemented their functions*

We have a collective responsibility to identify communities significantly affected by our policies and practices to give them the platform to share their views and to take these views into account.<sup>34</sup>

Hōkai Rangi was published in August 2019. Consultation with Māori staff was undertaken across regions and in National Office. A literature review was undertaken, and departmental databases were drawn on. The Māori reference group held a primary role in the co-design of the strategy, with approval provided at key stages by the Poari Hautū Rautaki Māori. In line with Hōkai Rangi we continue to work with community stakeholders, iwi, and hapū.

Corrections continues to work closely with community stakeholders on the Māori pathways programme initiatives at Hawke's Bay Regional Prison, Northland Region Corrections Facility, and Te Mana Wāhine Pathway in Christchurch Women's Prison. Corrections has an accord in place with the Kiingitanga and we are leveraging that relationship to support the Justice Sector to sign a kawenata with the Kiingitanga.

The High Impact Innovation Programme (HIIP) is implementing new services across the justice sector and engages with iwi and local communities. The Bail Support Service Programme works collaboratively with iwi and affiliated service providers in several regions (such as Ngāti Kahungunu in Hawke's Bay, and A3 Kaitiaki Limited in Dunedin) to design and deliver a service that meets the needs of the local communities.

We have dedicated staff who engage with communities on the placement of certain people serving community-based sentences or orders. We also continue to work with communities in the establishment of new community-based accommodation options for people in our management. Finally, some of our governance boards include independent members who offer external points of view on important Corrections-related matters. For example, the Audit and Risk Committee is chaired by an external member and has four other external members, and the Wellness and Wellbeing Insights Advisory Group where eight of 12 members are external appointments.

#### The importance of working with Māori

At an operational and strategic leadership level, we are committed to working with Māori to build meaningful and purposeful relationships. Genuine partnership with Māori is integral to delivering effective and efficient outcomes for Māori, Corrections, and those within the wider justice system.

Through our Māori Partnerships team, Corrections holds 22 formal agreements with iwi and hapū. Most recently, we signed the Tākai Here Agreement. There are other relationships held without formal agreements, some of which are in the process of being established.

Notably, a terms of reference was signed in August 2022 for Te Poari Hautū Rautaki Māori which comprises representatives of Corrections' Executive Leadership Team and iwi Māori. Te Poari Hautū Rautaki Māori discusses issues and opportunities to ensure we act in accordance with Te Tiriti to achieve the goals of Hōkai Rangi, those of the individual, and the family.

At an operational level, recent matters that we have engaged with iwi Māori on include the Hōkai Rangi – The Pathway Forward – Te Ara Whakamua proposal, and Corrections' response to the Ombudsman's systemic investigation.

Other initiatives included Ngākau Ora at Northland Region Corrections Facility using a kaupapa Māori approach to affirm rangatiratanga through language, culture, and identity to address intergenerational trauma, alongside the Māori Pathway programme (see page 76) and Te Mana Wāhine pathway (see page 77).

<sup>34.</sup> This is a report under section 190(1)(a) of the Corrections Act 2004 on how the Chief Executive has implemented his functions under section 8(1)(k) of the Act, and how our prison directors have carried out their functions under section 12(d). The main focus of this report is to ensure that processes are established and maintained to identify communities significantly affected by policies and practices in the Corrections system, and for the given communities to convey their views on those policies and practices with assurance that these views are given credence.



### Supporting and developing our people

We continue to invest in the safety, capability, and wellbeing of our workforce to ensure our staff have the skills and resources they need to be safe, do their jobs well, and help people make positive change in their lives.

We have an organisation-wide plan that focuses on three key areas: attracting and recruiting staff, building capability, and improving employee experiences.

### We made a concerted effort to attract and recruit frontline staff

Our recruitment and selection processes reflect our values and are designed to ensure we recruit staff with the capabilities and attributes they need to succeed in our working environments. These processes ensure the quality and integrity of new recruits and, depending on the role applied for, include preemployment drug testing, fitness testing and Police vetting. Recruitment for key roles also focuses on competency in working with, and for, Māori.

Like many businesses and industries, Corrections has not been immune to difficulties recruiting and retaining staff. We have made a concerted effort to recruit, retain and train throughout the year.

Our advertising campaign, which started in late 2022 and included television commercials, 'out of home' signs, and digital, social media and radio advertisements, increased awareness of Corrections from 37% to 44%, with nearly two-thirds of people who saw the campaign saying it had made them think differently and more positively about the role.

During the period from October 2022 to February 2023, we received 2,948 applications for roles as corrections officer, compared with 1,457 for the equivalent dates a year earlier. In that period, 229 corrections officers were hired, an increase of 152% over the equivalent period.

To assist with this surge in interest, we expanded our recruitment team. This allowed us to support the increased demand from our stakeholders for recruitment services and ensured we could better support new candidates going through our recruitment process. Additionally, we made notable improvements in our recruitment processes, including additional assessment options and maximising site resource.

We also collaborated with other Justice Sector agencies to identify recruitment initiatives where we can work together and strengthen our recruitment practices.

As an example of our commitment to diversity and talent acquisition, we became an Immigration Accredited Employer and appointed an Accredited Employer Work Visas holders, factors which have contributed to access to a larger candidate pool.



#### Over the next twelve months we will continue to recruit frontline staff, alongside broadening our recruitment efforts to support other non-frontline roles.

We also intend to review and refresh our recruitment policy and protocols to ensure the applicant experience and outputs are meeting our current and future needs; increase our engagement with local communities to both demystify our work and help position Corrections as an employer of choice; and establish or evaluate our current strategic relationships, including those we hold with iwi, to build future talent pipelines.

### We supported our staff to develop and grow their careers

From day one, we support our staff to learn and develop. Most new employees participate in Ara Tika, our induction programme that covers the obligations of working in public service, integrity, cultural capability, privacy, and safety before they move through their own unique learning pathways. In this financial year, 1,072 staff participated in the Ara Tika induction programme. Providing ongoing opportunities to progress careerwise is essential to retaining staff. In 2022/23, we increased investment in clear development pathways that enable our staff to be recognised and offer clear steps for progression. This included reviewing and redesigning our Corrections Officer Development Pathway (CODP) to make it fit-for-purpose, and establishing additional onsite Learning and Development advisers to support staff capability uplift and strengthen our learning delivery.

As part of our work to improve staff safety (see page 43), we delivered Tactical Communications training to reduce violence and aggression and uplift frontline capability in prisons. Holding people to account has also been prioritised, with the development of a training package for site-based prosecutors, 57% of whom have been trained so far.

We also developed a new Learning and Development Pathway and Support Framework for custodial staff working in women's prisons (see page 39).



## Case study: Changes to Corrections Officer Development Pathway



We've made changes to the Corrections Officer Development Pathway (CODP) based on feedback from staff and unions with the introduction of new sitebased assessment model.

"Our new corrections officers now spend an initial week onsite, followed by five weeks at the National Learning Centre (NLC), before returning to their home prisons for the remainder of the 10-week programme," says Director of Custodial Capability Pathway Jim Watson who led the team making the changes.

The site-based learning is supported by facilitators, buddies, site champions, managers, principal corrections officers, and other colleagues. Exposure at home prisons gives new corrections officers "time to embed and add to what they have already learnt at NLC", and the opportunity to develop new skills in a real-life environment to equip them to deal with potential challenges including those localised to their home prisons.

New staff completing CODP have said they "learnt a lot from having conversations with experienced officers in dealing with situations in a professional manner" and have found the updated CODP to be "both an intensive and comprehensive welcoming into Corrections."

### We enable staff to build their cultural capability from day one

It is important we build strong partnerships, deliver quality services and are responsive to the needs of our communities. This means we must develop a culture and environment that supports and enables effective learning and development for our staff to operate within a te āo Māori worldview.

Ara Tika, our programme for new staff, includes a full day of cultural capability training that incorporates all Whāinga Amorangi (Māori Crown relations capability framework) competencies as well as an introduction to our foundational pūrākau (story, history), our five values, and Hōkai Rangi.

Other learning programmes include E Toru Ngā Mea, our 12-week cultural capability programme that provides training across all Whāinga Amorangi (Māori Crown relations capability framework) competency areas, and Mana Ake, an inter-agency intercultural competence learning programme (available for all public service agencies).

A range of Aotearoa New Zealand history and Tiriti o Waitangi literacy programmes were delivered, including Treaty of Waitangi workshops. Two hundred and nine staff at National Office attended workshops on Treaty of Waitangi literacy and te ao Māori.

We also supported staff to strengthen and incorporate te reo Māori in their daily work as an important part of achieving Hōkai Rangi. We launched the Te Reo Māori Corporate Policy in November 2022, which identified key internal accountabilities and responsibilities to be achieved to strengthen the te reo capability of all Corrections staff.

As of 30 June 2023, our partners had delivered weekly te reo and tikanga classes to 132 staff, and weekly te reo level 1,2, and 3 classes to 186 staff. They also delivered four Te Whakarua Kākā reo workshops in which 137 staff participated.

*"I found the course very engaging and informative on a topic that is extremely relevant for all Ara Poutama Aotearoa staff."* 

- Anonymous Participant Survey

"It's so important as an employee of Ara Poutama Aotearoa to understand the lessons learned from inquiries such as Tū Mai Te Rangi and how my work contributes towards progressing the recommendations."

- Anonymous Participant Survey

### We are creating employee experiences to help people do their best work

Staff should be consistently supported to do their best work and be given room to focus on the things that matter most on the job. This means addressing staff 'pain points', improving outdated policies, processes and procedures, and finding ways to free up time for staff to focus on high-value engagements with the people we manage.

To help improve our workplace in 2022/23, we made improvements to our human resources hub (Awhina) to improve the quality of self-service support and overall experience for staff. We also developed a new approach to managing Accident Compensation Corporation non-work related injuries to improve the overall management and support of staff who are injured. These changes are now in the process of being implemented.

Work is also happening to deliver a new learning environment that will further strengthen the training we provide to staff and allow people to more clearly track their progress on their career pathway.

Making sure our staff are recognised and celebrated for their success has remained important to us.

Throughout the year we presented Whanonga Pono Awards to recognise people who champion one or more of our values.

We also presented long service and good conduct awards, as well as one-off awards to recognise specific achievements such as the Chief Executive's Special Commendation Award, which recognises outstanding employee contributions. In 2022/23, 21 staff members were recognised with a Chief Executive's Special Commendation Award.

### Promoting diversity, equity, and inclusion

Creating a workplace that values inclusion and diversity and where people feel they belong, are valued and that the work they do everyday makes a difference, is an important part of improving our employee experience.

In 2022/23, our Inclusion and Diversity Council remained an important forum for championing and raising awareness of inclusion and diversity progress across Corrections.

### We recognise the importance of ensuring all staff have the opportunity to develop

As part of our work to support staff to develop and grow their careers (see page 103), we are building a new Talent Management Framework that will ensure all staff have access to bespoke and appropriate development opportunities with a focus on diversity, inclusion, and equity.

In developing this, we are ensuring the views of a range of ethnicities, gender, levels of people in our business, and employee networks are heard to contribute to an outcome that best reflects people's career aspirations and development needs.

Over the past year, we have been identifying candidates for internal and external development programmes, particularly within the leadership space. An internal moderation process was undertaken for all nominations to ensure equitable representation of Māori, Pasifika, and women from various regions and work groups across the organisation.

### We also continued to contribute to Papa Pounamu

Launched by Te Kawa Mataaho – Public Service Commission in 2017, Papa Pounamu is a programme for public sector agencies to meet their diversity and inclusion responsibilities and goals. This programme covers five priority areas focused on making the most positive impact across all diversity dimensions.

#### Addressing bias

We delivered learning on unconscious bias, with much of this done regionally. For example, the central region use the Introduction to Inclusion and Diversity, a two-hour interactive learning session that introduces inclusion and diversity, unconscious bias, and an overview of resources and other learning opportunities available in this area at Corrections.

Three training packages were provided to lower north region staff, one of which was the introduction to Inclusion and Diversity.

The other two were:

- Understanding bias in recruitment, a two-hour workshop focused on how bias can present and impact recruitment practice, different types of bias in recruitment and how to mitigate the impact of bias.
- Unconscious bias in custodial practice, a onehour course for custodial teams that explores different types of bias, and how this presents in our workplace and engagement with people in prison, as well as ways to reduce the impact of our biases.

### Employee-led networks

We strongly encourage the development of employeeled networks to promote awareness and desire for more inclusive ways of working, celebrate everyone's diversity, and build cross agency relationships. These are voluntary groups of staff who come together based on shared identity or life experiences.

We now have 11 national employee-led networks,<sup>35</sup> with the addition this year of the disability, neurodiversity, and menopause networks. The menopause network of more than 240 people was launched in November 2022 and is the first of its type in the public service.

There are dozens of local and regional networks, including many Māori and Pasifika groupings. Work is underway to establish national governance groups for women and Pasifika networks, that maintain independence for regional networks and achieving better connection and collaboration.

### **Cultural competence**

Our national cultural capability team organised two, two-day Te Tiriti o Waitangi Analysis workshops for selected leaders and other staff identified in priority roles. These workshops were tailored to provide more advanced understanding and analysis of Te Tiriti and explore the significance of Te Tiriti's relevance to Corrections as a treaty partner.

We continued to offer an online unconscious bias learning programme through our intranet, with 1,244 staff completing this programme during the year.

### Inclusive leadership

The Leadership Development Centre's newly revised version of their New People Leader Programme has been updated to incorporate a greater focus on inclusive leadership, thereby giving new leaders an understanding on the significance and value of inclusive leadership in the way we lead and serve our teams. This is a government-wide initiative supported by Te Kawa Mataaho – Public Service Commission. In the past year, 83 Corrections leaders participated in the programme.

Inclusive Leadership is also a component within the Ara Rangatira Leadership Development Framework, an approach that is designed to support individual leaders to lead through values, and create a positive work environment where their team can develop and achieve their potential.

### **Building relationships**

It has been a priority for us to build strong relationships with frontline staff, with partnerships at all levels. Principally, this has been achieved through the delivery of workshops which introduce the fundamental concepts of diversity and inclusion. To date, this has been delivered to more than 100 staff members.

Externally, we acknowledge the need to build strong relationships with partners, for example with Māori providers, iwi, and hapū. This work is central to achieving our Hōkai Rangi goals.

### Our gender pay gap

Corrections remains committed to improving the workplace for our team. Our workforce already has a near 50/50 gender split and is one of the most ethnically diverse in the public sector.

In November 2021, the Gender Pay Gap Taskforce launched its public service action plan Kia Toipoto - Closing gender, Māori, Pasifika, and ethnic pay gaps, a three-year plan to address pay equity in the sector. In light of this, for the past three years Corrections has developed an annual Gender Pay Action Plan.

On 30 June 2022, the average gender pay gap in the public sector was 7% in favour of men. At the same date, Corrections reported a gender pay gap of 0%. As of 30 June 2023, this had fallen to -2%. This means, on average, women are paid slightly more than men at Corrections.





## As at 30 June 2023 **Our staff are:**



\*Totals equal more than 100 percent as staff may identify with multiple ethnicities.
#### Managing critical risks to health, safety, and wellbeing

#### Our staff regularly work with a range of risks and their health, safety, and wellbeing is paramount.

We have approximately 400 Health and Safety Representatives across the country who advocate for good health and safety practices in our workplace.

#### We continued to deliver on our Health Safety, and Wellbeing Plan

Our four-year Health, Safety, and Wellbeing Plan, adopted in September 2020, is based around four key areas: risks, resources, relationships, and resilience. During 2022/23, Corrections continued to improve health and safety relating to our major assets, our processes, and our standards. This work included:

- Progressing on improving the physical safety of our Community Corrections service centres to ensure there is a secure line between public and staff areas, and that there are barriers, deterrents, or delay mechanisms in place to maintain separation
- Rolling out assurance for hazardous substances and violence and aggression in 2022/23, with 232 proactive checks completed in our prison and community sites.
- Implementing clear and defined critical controls for our critical risks of Hazardous Substances, Violence and Aggression, and the Use of Machinery. We are well underway with implementing these controls, and our assurance processes are providing valuable insights for us to close any gaps and improve the safety of our workers. Since the launch of our machinery controls, we have upgraded or removed a number of machines in our prisons, which we considered to not meet our new high safety standards
- Developing and launching a revised induction programme to better equip our Health and Safety Representatives to fulfil their roles. We are also exploring changes to the way we roster our custodial health and safety representatives to ensure they have sufficient time to fully undertake their responsibilities in this area.

Protecting, maintaining, and supporting the wellbeing of our staff has remained a priority. Initiatives to support staff wellbeing in 2022/23 included:

- Developing a bespoke plan specific to each prison to address assaults against staff
- Introducing a new system to improve how our people can report and manage health and safety incidents
- Starting additional training for staff to be better equipped to address violence and aggression in prisons
- Working to embed a revised custodial peer support process (the Post-Incident Response Team) to improve mental health support for staff following exposure to distressing and traumatic incidents, with 186 employees completing new training to be better able to support their colleagues
- Offering free, confidential physical wellness checks to staff, and delivering awareness campaigns on a number of key wellbeing topics such as influenza, and work/life balance
- Conducting a review of the appropriateness of all personal protective equipment provided to corrections officers and providing new body-worn cameras to staff.

In 2023/24, we will be working towards a new health and safety general risk management framework. The framework will change the way the organisation identifies, manages, monitors, and improves the way we manage health and safety risk. It will require us to think differently and drive us towards making better, well-informed decisions when managing risk to our people.

#### We monitored our health, safety, and wellbeing performance

Health, safety, and wellbeing are influenced by a wide variety of factors. Some of these originate in the wider environment and go on to influence factors more directly associated with risks and organisational performance.

We survey our people every six months in relation to two measures. The first is our Safety and Wellbeing Net Promoter Score (NPS), which is a proxy for our safety climate, and indicates workers' perceptions about how effectively we enable good health, safety, and wellbeing. We have seen a decline in this score since September 2022, with analysis identifying low staffing levels and the associated workload increases as key underlying factors for this. Work is underway to address the issue of staffing levels and workload challenges, including leaders developing and implementing local health, safety, and wellbeing plans.

The second measure is our Just Culture score, which provides an indication of whether our people feel we seek to blame people or learn to improve when things go wrong. The current score, which has remained stable since being introduced in 2019, suggests that our people are more likely to feel that we seek to learn rather than blame. Overall, these new assurance checks have identified 377 recommendations, with a number of these being immediate actions sites can take. Our Assurance Framework associated with this work was a finalist at the 2023 New Zealand Health and Safety Awards.

In 2022/23, there were 15 incidents involving our staff that were serious enough to require WorkSafe – Mahi Haumaru Aotearoa to be notified [2021/22: 10]. There were a further 13 high potential incidents [2021/22: 4] that could have caused serious injury.

We have a shared responsibility for health and safety risk management when our work overlaps with those of our partners, particularly contractors and volunteers. In 2022/23, our partners and contractors experienced seven incidents serious enough to require WorkSafe – Mahi Haumaru Aotearoa to be notified [2021/22: 6], plus a further three high potential incidents [2021/22: 8].

There was a notable increase (42%) in near miss reporting by staff, from 2,418 in 2021/22 to 3,422 in 2022/23. This can be perceived as a positive trend as higher near miss reporting rates are associated with a more mature safety culture, and better risk management.



#### **Responding to and building resilience to COVID-19**

#### We continued to reduce the risk of COVID-19 and other infectious diseases in prisons

Prisons are described by Te Whatu Ora as facilities with an increased risk of viral amplification. This means that reduced ventilation and the number of people living in a closed space may increase the transmission of COVID-19 and other respiratory illnesses.

We continue to work in partnership with Te Whatu Ora to enable safe operational transmission limiting processes and procedures are maintained. We also continue to use personal protective equipment where appropriate in prisons to reduce the transmission of COVID-19.

The primary and booster COVID-19 vaccines are available to people new to prison as well as those in the current prison population as their health status indicates.

As for all people in Aotearoa New Zealand, vaccination is a choice. Nurses offer health education and promotion to support and inform all people in prison on the benefits of vaccinations.

## We safely managed a significant number of COVID-19 cases

There were 2,326 cases of COVID-19 in people in prison between 1 July 2022 and 30 June 2023. This includes 1,197 (51%) Māori. The vulnerability of Māori living in prison continues to be the driver to maintain and sustain good infection prevention and control measures to reduce the transmission of COVID-19.

There were peaks in case numbers in July (227 cases) and August 2022 (214 cases), and over the Christmas and New Year period of 2022/23 (173 cases). At these points, the transmission between staff and prisoners was at its highest. These peaks mirrored an increase in cases in the community. Controls such as mask wearing, and Rapid Antigen Testing of symptomatic prisoners was key to safe management.

As of 30 June 2023, there have not been any COVID-19 related deaths in custody.

## We lifted our restrictions on community operations

Since 2022, we have gradually rolled back our COVID-19 related operational restrictions for Community Corrections. As of 30 June 2023, Community Corrections no longer had any COVID-19 related restrictions, and all functions were operating as usual. Public health protection controls such as the provision of masks are always available if required by staff or visitors.



#### Our physical infrastructure

We have been developing a long-term plan to ensure we can continue to respond to current and future requirements across the prison network. This will ensure suitable accommodation where there is need and provide for changes in the size and makeup of the people we manage.

This planning will also ensure our operating models and requirements are consistent with Hōkai Rangi. We have also commenced planning at a site level to provide options for the future development of our custodial sites.

As we refurbish or build new facilities, we have focused on developing more modern, humanising environments. This includes the use of colour schemes and appropriate materials during improvement works to lend to more calming and less institutional environments particularly in our visitor spaces, youth, and intensive supervision units. We are also exploring avenues to make our units and spaces more functional without the requirement for major changes.

In response to Government initiatives and regulatory changes, Corrections has committed to gross emissions reduction targets of 21% by 2025 and 42% by 2030, and launched several initiatives including a fleet decarbonisation plan to transition our fleet of motorised vehicles to 34% full electric vehicles by June 2026,<sup>36</sup> and low emission boiler feasibility studies across the network. Around a quarter of Corrections' greenhouse gas emissions come from gas, diesel and coal boilers which provide space and hot water heating. The condition assessment of our Three Waters assets has been completed, and scoping and design has commenced for priority sites to enable the provision of safe, reliable, and compliant three waters services.

#### Our physical assets performance

We manage more than \$5.2 billion of non-current assets, including prisons (including offender employment farming operations in some cases), site supporting infrastructure such as Three Waters assets, electronic security, Community Corrections sites and fleet assets. Our assets are managed in a consistent and effective manner to support our obligations under the Corrections Act 2004 and per the requirements of Cabinet Office Circular CO19 (6) Asset and Investment Management as well as contributing to the delivery of the strategic objectives of Hōkai Rangi.

We apply recognised asset management principles based on the International Infrastructure Management Manual (IIMM) which incorporates best practice and aligns with international standards.

As a large and complex public service department, Corrections' assets range in condition from excellent to those approaching end-of-life. Asset performance reporting is important because Corrections is considered a 'tier-1 investment-intensive agency' under the Treasury's previous Investor Confidence Rating<sup>37</sup> framework. We report on the performance of assets in the property and digital asset portfolios except our vehicle fleet, every year in our Annual Report.

In 2022/23, we completed a new Community Corrections site in Queenstown. Due to a number of factors, feasibility analysis on a number of other potential sites has been delayed and as a result no further CCS projects were completed during the year. The Queenstown project was prioritised as it was deemed an urgent relocation of the existing service centre due to seismic issues.

Our owned Community Corrections sites continues to meet our asset condition performance budget standards. Asset conditions of our prisons remains below budget standards overall. Continued investment through immediate and longer-term initiatives is required to address the asset quality of our prison estate into the future.

Due to a significant uplift in our planned Asset Replacement Programme for 2023, we have already been able to address a number of smaller asset investments, with further works planned for the future. Longer-term network planning has commenced which will identify and prioritise areas for investment including replacement of end-of-life assets.

<sup>36.</sup> Technology to enable the Department to transition entirely to electric vehicles is not currently available. These constraints include range, load capacity, and towing capacity.

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

AUDITED MEASURES	2020	2021	2022	2023	2023	2024
Assessment of performance	Actual	Actual	Actual	Actual	Budget	Forecast
					(unaudited)	(unaudited)
Percentage of prison buildings with an excellent/good condition <sup>38</sup>			80%	80% <sup>39</sup>	Greater than or equal to 85%	Greater than or equal to 85%
Percentage of prison buildings with a poor/very poor condition <sup>38</sup>			9%	<b>9%</b> <sup>39</sup>	Less than or equal to 4%	Less than or equal to 4%
Percentage of Community Corrections buildings with an excellent/good condition <sup>40</sup>			92%	92% <sup>39</sup>	Greater than or equal to 85%	Greater than or equal to 85%
Percentage of Community Corrections buildings with a poor/very poor condition <sup>40</sup>			3%	3% <sup>39</sup>	Less than or equal to 4%	Less than or equal to 4%
Number of new Community Corrections sites and existing site refurbishments completed	Nil	2	4	1	3	Removed from 2024 <sup>41</sup>
Prison Capacity Programme – permanent beds added <sup>42</sup>	318	557	488	Nil	Nil	Removed from 2024 <sup>41</sup>

- 38. Old Mt Eden Heritage Building and any uncompleted new builds (for example, Waikeria Prison new facility) are not included in this measure.
- 39. This is a new Statement of Performance measure for 2022/23. It was selected as a good representation of our activities in relation to this appropriation. Corrections has previously reported on these measures in accordance with the expectations as set out in the Cabinet Office Circular C019 (6). The calculation methodology for these measures was refined for the 2022/23 financial year. Condition ratings were previously based on asset quantities but are now based on cost of asset replacement. Cost of asset replacement in relation to condition provides a better insight to the level of investment required to improve condition. Actuals for 2021/22 have been restated, noting the impact of this change in calculation is not material.

40. These measures account for our 33 owned community sites, as the remainder are leased.

- 41. These performance measures have been removed reflecting a change in the Departments' focus to continue improving the quality of its existing asset footprint and modernising prison infrastructure to support the safety and wellbeing of Corrections' staff and people in prison.
- 42. Permanent beds include emergency beds. Corrections has added a total of 2,465 beds through the Prison Capacity Programme since 2016. Permanent beds added in 2021/22 related to the Modular Build Programme and other small capacity builds. The budget of Nil for 2022/23 reflects the planned delivery profile of the Prison Capacity Programme.

#### Asset measures

The table below outlines how Corrections performed against our other unaudited asset performance measures in accordance with Cabinet Office Circular CO19 (6) requirements.

Minor improvement has been made against our reactive calls performance since last year and we anticipate further improvement through a continued focus on planned maintenance of assets. This will retain the condition of our assets, reduce faults, and over time decrease the need for reactive maintenance.

In the future we are intending to introduce additional utilisation measures that will provide more insight into the optimal use of capacity and enable better reporting on how capacity is actually utilised relative to the population we are managing.

For our property assessment criteria, see Corrections' 2018/19 Annual Report (page 183): <a href="https://www.corrections.govt.nz/resources/strategic">https://www.corrections.govt.nz/resources/strategic</a> reports/annual-reports/annual report 201819

	Indicator	2022	2023	2023	2024
Assessment of performance		Actual	Actual	Target	Target
Percentage of prison service capacity available at 30 June	Utilisation	99%	99%	99%	99%
Number of reactive calls, as a rate per prisoner <sup>43</sup>	Functionality	4.99	4.80	≤4.4	≼4.4
Number of reactive calls affecting normal operations, as a rate per prisoner43	Functionality	2.09	1.76	≤1.08	≤1.08



<sup>43.</sup> This measure relates only to calls made to our main AM/FM contracted provider (15 out of 18 prison sites). Reactive calls require unscheduled maintenance works and excludes intentional damage incidents. Please note that the metrics included in the 2021/22 annual report (scores of 6.73 and 2.96) included intentional damage and this has now been corrected to read 4.99 and 2.09 respectively.

#### **Three Waters assets**

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

AUDITED MEASURE	2022	2023
Assessment of performance	ormance Actual	
Performance will be assessed by the execution of the agreement relating to the transfer of Three Waters Assets at Auckland Prison to Watercare Services Limited.	The agreement has not yet been executed due to delays caused by the requirement to reprice the proposal. An in-principle expense transfer has been pre-approved to transfer funding to 2023.	The agreement has not ye been executed due to ongoing delays impacted by resourcing constraints An in-principle expense transfer has been pre-approved to transfer funding to 2024

## The impact of North Island weather events

Weather events in the last year impacted our Community Corrections operations, with Cyclone Gabrielle and the persistent heavy rain fall across Northland and Auckland being the most significant.

As a result, some service centres were closed for short periods, while in other cases more extensive damage was done. Using what we learned from COVID-19, we ensured limited impact on people reporting in, and to the support provided to courts and partner agencies. This included relocating staff to other Community Corrections sites and setting up temporary workstations.

Three sites were particularly affected:

- Our Mangere office ground floor and community work area were severely flooded, with staff and operations mostly relocated to Manukau. The community work area required extensive repair, and alternate arrangements were made for people who needed to report in.
- Our New Lynn office, community work area, carpark, and some critical utilities were damaged. As with Mangere, alternate arrangements were made for people who needed to report in.
- Our Wairoa office was severely damaged, and the office has since been located to a temporary shared facility with the District Court. Planning is progressing regarding a permanent solution for Wairoa as the current location is in a flood prone location.

Although these weather events caused some disruption to community work operations, they also generated a lot of recovery and repair work that people on community work were able to assist with.

#### Our digital assets performance

Our digital assets connect our people across the country and enable us to manage people in prison and on community-based sentences and orders every day.

Technology is more important than ever in forming and maintaining connections with others (for example, enabling visits between people in prison and their whānau by audio-visual link), and in ensuring the safety of our communities (for example, electronically monitoring people on community-based sentences and orders). As such, there is a growing need for infrastructure that supports the safe storage and transfer of large volumes of data.

Our digital capital investment programme is principally driven by new investment proposals, and upgrades to and replacements of existing digital assets. In particular, 2022/23 has also seen an increased demand for digital services and increased remote collaboration between staff.

We have managed this by increasing bandwidth to sites and implementing the Network Modernisation Project to all sites. This has delivered improved bandwidth to most sites, including wi-fi to Community Corrections sites.

We also completed work in moving digital workloads to a hybrid (public/private) cloud platform. We make use of the Department of Internal Affairs' – Te Tari Taiwhenua All-of-Government cloud infrastructure at CCL, along with cloud infrastructure from Microsoft. The table below outlines how Corrections performed against our other unaudited asset performance measures in accordance with Cabinet Office Circular CO19 (6) requirements.

		2022	2023	2023	2024
Assessment of performance	Indicator	Actual	Actual <sup>44</sup>	Target	Target
Percentage of time our core systems are available	Availability	100%	99.99%	>99.5%	>99.5%
Percentage of time our ICT assets with a condition rating of poor	Condition	16%	16%	<20%	<20%
Number of online kiosks available within the prison environment for offender self-service	Utilisation	312	479	>275	>300
Percentage of Community Corrections staff accessing information through mobile technology	Utilisation	100%	100%	>90%	>90%
Percentage of our storage that is available/ hosted within a public cloud	Functionality	33%	100%	>35%	>35%

#### The Modern Prisons (Digital) Programme

At present, our prisons primarily rely on analogue and paper-based systems for their operation. The way corrections officers and frontline staff work, the safety of our prisons, rehabilitation options available to people we manage, and the way prisons are managed are increasingly constrained by the inability to use basic digital services, services the wider public take for granted.

We have embarked on a Modern Prisons (Digital) Programme, which will provide a modernised digital environment for staff, suppliers, and people we manage in prison. It will also give us the ability to significantly increase programmes for rehabilitation, education and training, additional reintegration support, and extended whānau connections.

Four prisons (Christchurch Women's Prison, Waikeria Prison (Low Security), Northland Region Corrections Facility and Hawke's Bay Regional Prison) have had new cabling and networking installed, and early adoption of digital services such as wi-fi can begin while we complete installation at the remaining prisons.



## Maintaining our commitment to environmental sustainability

#### In 2020, the Government declared a Climate Emergency recognising the urgent need to address the challenges posed by climate change.

In response, the Carbon Neutral Government Programme (CNGP) was set up to accelerate the reduction of emissions within the public sector, and to offset gross emissions from 2025 to achieve carbon neutrality.

As a participant of the 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 2025 to achieve carbon neutrality.

## We are 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. Our total emissions have been measured and externally verified by Toitū Envirocare in accordance with ISO 14064-1 from 2020/21.

Our 2020/21 base year emissions totalled 63,399<sup>45</sup> metric tonnes of carbon dioxide equivalent units (tCO2-e). Note that as this was a COVID-19 affected year, the Ministry for the Environment – Manatū Mō Te Taiao has allowed the ability to restate. Corrections is currently investigating this option that may result in changing our base year to an earlier period.

In 2022/23, our emissions totalled 60,477 tCO<sub>2</sub>-e. Stationary combustion, agriculture, and food remain our largest emission sources. There has been a 7% decrease in emissions that are subject to reduction targets<sup>46</sup> compared to base year primarily due to a change in the Ministry for the Environment – Manatū Mō Te Taiao electricity emission factor, a reduction in agricultural emissions<sup>47</sup> and natural gas usage. Partially offsetting this there has been an increase in air travel and staff accommodation this year with easing COVID-19 restrictions.

Corrections' emissions that are subject to reduction targets are displayed in Figure 9. Purchased food, beverages, and personal care items are not mandatory, and suitable emission factors are still to be developed by Ministry for the Environment – Manatū Mō Te Taiao and have therefore been excluded from our emissions that are subject to reduction targets.

## Figure 9: Emissions subject to reduction targets by year<sup>48</sup>



- 45. Our 2020/21 (base year) and 2021/22 emissions have been restated in accordance with the Ministry for the Environment Manatū Mō Te Taiao "Measuring emissions a guide for organisations 2023 detailed guide" and Corrections' "Historical Emissions Recalculation Policy." Restatements have been externally reviewed by Toitū Envirocare.
- 46. Inventory subject to Corrections' committed emission reduction targets and excludes purchased food, beverages and personal care items.
- 47. Change in agriculture emissions due to a change in stock mix from dairy to non-dairy due to operational requirements.
- 48. Category 5 is not applicable to Corrections' operations.

#### Figure 10: Total emissions by category

Category49	Description	Emission Sources	<b>2020/21</b> <i>tCO</i> 2- <i>e</i>	<b>2022/23</b> tCO <sub>2</sub> -e
Category 1	Direct emissions	Stationary combustion, transport fuel, biofuel and biomass (methane and nitrous oxide only), fugitive emissions, enteric fermentation, manure management,	•	•
Ŭ		agriculture soils, fertiliser use	35,871	34,268
Category 2	Indirect emissions from imported energy	Purchased electricity, electric charge (EVs)	7,143	4,392
			.,	.,
Category 3	Indirect emissions from transportation	Vehicle, aircraft, rental vehicle, private vehicle, taxi, public transport, air travel, hotel stay, freight rail, road, coastal		
U U	transportation	shipping, couriers	3,422	4,986
Category 4	Indirect emissions from products and services used by	Staff working from home (waste and electricity), construction materials, office products, cleaning and janitorial products,		
Cat	the organisation	transmission and distribution losses, water supply, wastewater treatment, landfill waste	5,181	4,485
Category 6	Indirect emissions from other sources	, 5, ,		
		agricattarateonto		
cat			274	110
	are subject to reduction		274 <b>51,891</b>	110 <b>48,241</b>
Emissions that a				
Emissions that a % reduction from	are subject to reduction m 2020/21 base year Indirect emissions from products and services used by		<b>51,891</b> -	<u>48,241</u> (7%)
Emissions that a	are subject to reduction m 2020/21 base year Indirect emissions from products and	targets Food and beverages, personal care		48,241
Emissions that a % reduction from 7 % reduction from 7 % % % % % % % % % % % % % % % % % %	are subject to reduction m 2020/21 base year Indirect emissions from products and services used by the organisation	targets Food and beverages, personal care products	<b>51,891</b> - <b>11,508</b> 11,508	<b>48,241</b> (7%) 12,236
Emissions that a % reduction from the second seco	are subject to reduction m 2020/21 base year Indirect emissions from products and services used by the organisation are not subject to reduc (tCO2-e)	targets Food and beverages, personal care products tion targets	<b>51,891</b> - <b>11,508</b> <u>11,508</u> <b>63,399</b>	<b>48,241</b> (7%) <b>12,236</b> <b>60,477</b>
Emissions that a % reduction from the second Emissions that a Total emissions Reconciliation to	are subject to reduction m 2020/21 base year Indirect emissions from products and services used by the organisation are not subject to reduc (tCO <sub>2</sub> -e) o 2021/22 Annual Repor	targets Food and beverages, personal care products tion targets rt	<b>51,891</b> - <b>11,508</b> 11,508	48,241 (7%) 12,236 12,236 60,477 year tC02-e
Emissions that a % reduction from % redu	are subject to reduction m 2020/21 base year Indirect emissions from products and services used by the organisation are not subject to reduce (tCO <sub>2</sub> -e) o 2021/22 Annual Report em	targets Food and beverages, personal care products tion targets rt issions	<b>51,891</b> - <b>11,508</b> <u>11,508</u> <b>63,399</b>	<b>48,241</b> (7%) <b>12,236</b> <b>60,477</b>
Emissions that a % reduction from % redu	are subject to reduction m 2020/21 base year Indirect emissions from products and services used by the organisation are not subject to reduce (tCO <sub>2</sub> -e) o 2021/22 Annual Report 21/22 Annual Report emiseen recalculated due to	targets Food and beverages, personal care products tion targets rt issions	<b>51,891</b> - <b>11,508</b> <u>11,508</u> <b>63,399</b>	48,241 (7%) 12,236 12,236 60,477 year tC02-e
Emissions that a % reduction from % redu	are subject to reduction m 2020/21 base year Indirect emissions from products and services used by the organisation are not subject to reduc (tCO <sub>2</sub> -e) o 2021/22 Annual Report 21/22 Annual Report em een recalculated due to change	targets Food and beverages, personal care products tion targets rt issions	<b>51,891</b> - <b>11,508</b> <u>11,508</u> <b>63,399</b>	48,241 (7%) 12,236 12,236 60,477 year tCO <sub>2</sub> -e 63,045
Emissions that a % reduction from % reduction from % Emissions that a Total emissions Reconciliation to Total verified 202 Emissions have b • Methodology	are subject to reduction m 2020/21 base year Indirect emissions from products and services used by the organisation are not subject to reduc (tCO <sub>2</sub> -e) o 2021/22 Annual Report 21/22 Annual Report em een recalculated due to change	targets Food and beverages, personal care products tion targets rt issions	<b>51,891</b> - <b>11,508</b> <u>11,508</u> <b>63,399</b>	48,241 (7%) 12,236 12,236 60,477 year tCO <sub>2</sub> -e 63,045 (875)
Emissions that a % reduction from % reduction from formation Emissions that a Total emissions Reconciliation to Total verified 2022 Emissions have b • Methodology • Emission fact	are subject to reduction m 2020/21 base year Indirect emissions from products and services used by the organisation are not subject to reduce (tCO <sub>2</sub> -e) o 2021/22 Annual Report 21/22 Annual Report emiseen recalculated due to change or correction	targets Food and beverages, personal care products tion targets rt issions	<b>51,891</b> - <b>11,508</b> <u>11,508</u> <b>63,399</b>	48,241 (7%) 12,236 12,236 60,477 year tCO <sub>2</sub> -e 63,045 (875) 1,022
Emissions that a % reduction from % reduction from Emissions that a Total emissions Reconciliation to Total verified 202 Emissions have b • Methodology • Emission fact • Data quality • Recategorisat	are subject to reduction m 2020/21 base year Indirect emissions from products and services used by the organisation are not subject to reduce (tCO <sub>2</sub> -e) o 2021/22 Annual Report em een recalculated due to change or correction	targets Food and beverages, personal care products tion targets rt issions	<b>51,891</b> - <b>11,508</b> <u>11,508</u> <b>63,399</b>	48,241 (7%) 12,236 12,236 60,477 year tCO₂-e 63,045 (875) 1,022 204

49. Category 5 is not applicable to Corrections' operations. Category 6 includes emissions from leased assets.

#### **Emissions intensity**

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

#### Figure 11: Emissions intensity by average FTE, average prison population<sup>50</sup> and expenditure<sup>51</sup>





- Gross emissions per million dollars of expenditure (tCO<sub>2</sub>-e)
- Gross emissions per person in prison (tCO<sub>2</sub>-e)
- Gross emissions per FTE (tCO<sub>2</sub>-e)
- Gross emissions per FTE and person in prison (tCO<sub>2</sub>-e)

## We have set emission reduction targets

We committed to reduce gross emissions across operations and has adopted emission reduction targets from our targeted base year as recommended by the Ministry for the Environment – Manatū Mō Te Taiao in line with the Science Based Targets Initiative.<sup>52</sup>



and



- 50. Average FTE and average prison population figures for 2020/21 and 2021/22 have been restated.
- 51. Total operating expenditure excluding capital charge, depreciation and amortisation.
- 52. https://sciencebasedtargets.org/resources/legacy/2019/04/foundations-of-SBT-setting.pdf

## We have a plan to reduce our emissions

Corrections is working on a number of initiatives to reduce our emissions.

This year we:

- Completed low emission boiler transition feasibility studies at three prisons and one Community Corrections site and began a further 13 studies across our prison network
- Continued our fleet electrification programme
- Commenced the Smart Vehicle system to enable right sizing of our fleet
- Started an investigation into heat recovery from wastewater at two prison sites to assess energy savings
- Updated our travel policy to include sustainable travel options and provide direction to staff when booking travel
- Began developing learning modules directed to travel co-ordinators and new staff with a focus on sustainable travel
- Continued to partner with Waste Management to divert waste
- Developed video content with Waste Management to educate our staff on waste minimisation.

#### **Our fleet**

Corrections' total fleet exceeds 1,900 assets ranging from light commercial vehicles, prisoner escort vehicles, trucks, and mobile plant. This includes industrial and agricultural mobile plant assets as well as towable plant assets.

In November 2021, Corrections adopted the Fleet Decarbonisation Optimisation and Transition Plan, that targets a zero-carbon fleet by 2030, contingent on the availability of viable zero-carbon options and funding.

During 2023 we replaced 121 fossil fuelled vehicles with 121 fully electric vehicles (EVs) and installed 108 EV chargers throughout the network. Our current count stands at 180 fully electric vehicles and 115 petrol hybrid vehicles in our light commercial fleet. We are on track to have over 400 EVs in the fleet by 2024/25, supported by the installation of 365 chargers across 95 sites.

To facilitate fleet optimisation, we have commenced the implementation of Smart Vehicle System that reports vehicle servicing, maintenance schedules and driving patterns to enhance training and overall fleet safety.

#### Our waste minimisation

Corrections leads the Collaborative Waste Minimisation Procurement Project, a consortium currently comprising 27 members. As the largest user of waste services within the current syndicate, we are committed to leading efforts to enhance waste minimisation across all of government.

We intend to achieve this through the adoption of circular economy practices, which involve rethinking, redesigning, reusing, repairing, and repurposing waste materials.

This ambitious procurement initiative is poised to yield significant social, economic and environment benefits. These include enhanced environmental stewardship across Aotearoa New Zealand, job creation, increased access to diverse suppliers, and connecting with impactful entities such as social enterprises, local, and/or Māori-owned business to address social and economic inequalities.

## *We will continue to refine our data*

We expect emissions will change in some areas as our assumptions, data and reporting continues to mature. Future reporting may also include new emission sources as planned changes across our network are implemented.

## *Offset remaining gross emissions from 2025 to achieve carbon neutrality*

We are awaiting further guidance from the Ministry for the Environment – Manatū Mō Te Taiao on carbon offsetting including implementation timeframes.

## As part of our commitment to making a positive impact we:





## Case study: Conservation and restoration work

#### Several environmental conservation and restoration initiatives are underway within Ara Poutama Aotearoa.

These include targeted upgrades of stormwater systems to align more closely with the principles of Te Mana o Te Wai. In consultation with local iwi, rain gardens, vegetated channels, and upflow filters have been implemented at Whanganui Prison, while indigenous plant species sourced locally will be used to landscape the existing stormwater drains at Hawke's Bay Regional Prison and Spring Hill Corrections Facility.

We are focused on opportunities for water harvesting and reuse within new and existing assets across the portfolio. Moreover, Corrections plans to undertake a multi-year aquatic weed removal operation in Lake Wiritoa and Lake Pauri, adjacent to Whanganui Prison, to reduce nutrient levels and enhance overall lake health. Efforts are underway to remove weeds from reserve land next to Whanganui Prison and a 9,000m<sup>2</sup> replanting programme will be undertaken. We are also collaborating with local iwi on a plan for replanting indigenous species. Additionally, there are plans to install fencing along approximately 26km of waterways at prisons with onsite agricultural activities.

Conservation efforts also extend to the community with Prison and Community Work activities such as tree planting, weeding, pest and disease control, and waterways restoration in collaboration with councils, iwi, and NGO's.

Initiatives like the Trees that Count charity and Good to Grow partnership with the Department of Conservation - Te Papa Atawhai have collectively recorded 295,145 hours spent on projects encompassing trap manufacturing, nursery planting, track maintenance, recycling/repurposing, and weed control.



Additionally, people in prison contribute by growing substantial amounts of fresh produce for donation to local food banks and rescue organisations.



Kumara being cultivated in the Māra Garden in Auckland Prison

Auckland Prison alone has provided around 17,000 native trees and 30,000 cuttings to the community, while Northland Region Corrections Facility has propogated 153 kauri plants from a single gifted cone. These plants will eventually be returned to their original growth area to aid kauri regeneration and mitigate 'die-back'.

#### **Our advice and support to the Minister of Corrections**

#### We provided advice and support to the Minister of Corrections, enabling him to take part in the development of government policy and perform his ministerial duties.

The table below outlines how Corrections performed against the relevant audited measures used to assess performance in the Policy Advice and Ministerial Services multi category appropriation.

AUDITED MEASURES	2020	2021	2022	2023	2023	2024
Assessment of performance	Actual	Actual	Actual	Actual	Budget	Forecast
					(unaudited)	(unaudited)
The office of the Minister of Corrections is satisfied with the level of quality of policy advice, and of draft Ministerial correspondence, provided by the Department (determined by an Annual Survey of satisfaction) <sup>53</sup>	97%	93%	95%	94%	Greater than or equal to 85%	Greater than or equal to 85%
Technical quality of policy advice papers assessed by a survey with a methodological robustness of 90% <sup>54</sup>	74%	78%	77%	73%	At least an average of 70%	At least an average of 70%
The office of the Minister of Corrections is satisfied with the quality of policy advice provided, including quality of the written material and quality of the advice provided (measured through an annual survey) <sup>55</sup>	88%	86%	92%	90%	Greater than or equal to 80%	Greater than or equal to 80%
The percentage of ministerial draft correspondence that is signed without changes	98%	99%	99%	100%	Greater than or equal to 95%	Greater than or equal to 95%
The percentage of all responses to parliamentary questions that are completed within five working days	100%	100%	100%	100%	Greater than or equal to 98%	Greater than or equal to 98%
The percentage of responses to ministerial draft correspondence that are completed within 20 working days	100%	99%	99%	98%	Greater than or equal to 98%	Greater than or equal to 98%

- 53. This measure is based on a combination of the underlying data for the following two measures 'The office of the Minister of Corrections is satisfied with the quality of policy advice provided, including quality of the written material and quality of the advice provided (measured through an annual survey)' (Refer to footnote 54) and 'The percentage of ministerial draft correspondence that is signed without changes'. The calculation methodology for the first of these two measures takes a weighted approach to the responses of some questions, whereas the calculation approach for the aggregate measure recognises each of the survey question responses, resulting in an unweighted total of 87 out of a possible 95, across 19 questions. In 2022/23 all 46 pieces of draft correspondence submitted to the Minister's office were signed without changes. Thereby, the aggregate measure performance result of 94% for 2022/23 reflects a combined score of 133 out of 141.
- 54. This indicator provides a standardised score for the policy technical quality reviews undertaken by the third-party assessor, in this case the New Zealand Institute of Economic Research. The result is based on reviews of a sample of analytical and research outputs independently assessed on a five-point scale (1 = unacceptable, 2 = poor, 3 = acceptable, 4 = good, 5 = outstanding). For 2022/23, the annual result reflects an average of the scores for 20 reviews.
- 55. This indicator is a quantitative representation of the Minister of Corrections' satisfaction with the services provided by the policy function on a Likert scale from never to always, where never means unsatisfied and always means extremely satisfied. The review uses the Department of Prime Minister and Cabinet's Policy Quality Framework.

## Our external assurance and oversight

#### **Our work with external oversight entities**

We work collaboratively with external entities to ensure that we are best placed to pursue improved outcomes for people in prison and the community, and that they are safe and treated fairly.

People in our management have different backgrounds and often complex needs. To ensure these needs are prioritised and met, we are accountable to external entities and associated regulations and standards. Some of the external entities we work with are detailed below.



The Office of the Ombudsman – Kaitiaki Mana Tangata is the National Preventative Mechanism responsible for monitoring Corrections facilities. The Ombudsman provides advice and guidance, undertakes investigations, and makes recommendations in accordance with several different pieces of legislation. The Ombudsman also manages complaints about government agency responses under the Official Information Act 1982.



The Children's Commission -Manaakitia ā Tātou Tamariki 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 Aotearoa 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 Ma**na 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 Aotearoa New Zealand. Its role is set out in the Mental Health and Wellbeing Commission Act 2020.

#### The external oversight entities' recommendations promote a culture of continuous improvement and directly contribute to our initiatives and strategic goals.

In June 2023, the Chief Ombudsman published a selfinitiated investigation into Corrections. The key issues identified by the Chief Ombudsman were consistent with many issues we identified ourselves, and his recommendations strongly aligned with work we have underway through Hōkai Rangi, our organisational strategy. Hōkai Rangi called us to make change, in a safe, sustainable way. We know this can't happen in an organisation as large as ours overnight. Since the investigation began two years ago, we continued our work towards this change, and engaged in further self-review on progress against our strategy.

One of the key issues raised in the Chief Ombudsman's report is how Corrections has addressed the findings and recommendations of oversight entities. As the report notes, we acknowledged that we did not have robust organisation-wide processes to track, monitor, assure, and close recommendations. Since the Chief Ombudsman's investigation was initiated, we made changes at all stages in this process. These changes aimed to ensure our processes are fit for purpose, with clear lines of accountability. The executive-level Organisational Performance Committee now endorses oversight entity provisional reports and receives a quarterly report on progress against open themes.

We have also developed and implemented an application which provides staff responsible for actioning and assuring recommendations with a single location to track and monitor the progress. The application allows senior leaders to identify themes from open recommendations, and publicly report on progress against these themes. The public reports are available on our website here:

https://www.corrections.govt.nz/resources/inquiries\_ and\_reviews/monitoring\_entity\_recommendations\_ themes

While there is more to do, we have already taken significant steps in the past two years. Our focus now will be on actioning the recommendations from the Chief Ombudsman's self-initiated investigation. In February 2022, the Office of the Privacy Commissioner – Te Mana Mātāpono Matapatu initiated an investigation into Privacy Act 2020 compliance and privacy practice at Corrections. Corrections provided its final written update to the Office of the Privacy Commissioner – Te Mana Mātāpono Matapatu in response to their compliance investigation in February this year.

Our work in responding to some of the more complex and long-ranging recommendations is ongoing. We are providing updates to the Office of the Privacy Commissioner – Te Mana Mātāpono Matapatu via our quarterly relationship meetings. Of the 29 recommendations, we accepted 12, partially accepted 16, and did not accept one.

In 2022/23, we also reported 15 privacy breaches to the Office of the Privacy Commissioner – Te Mana Mātāpono Matapatu.



## Case study: **Pixelation protects privacy and dignity in prison**



New camera technology is being rolled out in prisons to protect the dignity and wellbeing of people needing close observation.

Corrections is committed to the safe, secure and humane containment of prisoners, and in line with concerns raised by the Ombudsman, we've taken better measures to protect the privacy of prisoners when they are using the bathroom.

CCTV cameras in all prison sites will soon pixelate activity in the shower and toilet areas in Intervention and Support Units and separates cells which house people who are at risk of hurting themselves or others. We've successfully trialled the pixelation at Rimutaka Prison. Contractors are now configuring our CCTV systems to support the pixelation of 475 cameras at 14 sites. Three sites have different cameras and need upgrading to use the same feature.

While pixelation is in place during live viewing, recorded footage can be viewed by authorised staff without pixelation in the event of an investigation. Pixelation also means staff of any gender can monitor the CCTV screens.

CCTV is not a replacement for physical observations. However, it lets staff in the guardroom check on atrisk people at other times.

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#### Office of the Inspectorate - Te Tari Tirohia

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

## *By looking and listening, we will gain insight*

Alongside the mentioned external oversight entities, The Office of the Inspectorate - Te Tari Tirohia (https:// inspectorate.corrections.govt.nz/) works to ensure that all prisoners are treated in a way that is fair, safe, secure and humane.

The Inspectorate is part 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.<sup>56</sup>

#### **Prison inspections**

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

Prison inspections resumed at Manawatu Prison in April 2023, with the report published in due course. Inspections had paused due to the COVID-19 pandemic, which allowed the Inspectorate to focus on thematic inspections.

In March 2023, the Inspection Standards were supplemented by new Leadership Standards, which were used for the first time during the Manawatu Prison inspection. Work commenced in May 2023 to refresh the *Inspection Standards*, and the updated standards will be published on the Inspectorate website.

#### **Thematic reports**

#### Separation and isolation

In June 2023, the Separation and Isolation: Prisoners who have been kept apart from the prison population report was published. This inspection, at all 18 prisons, examined the management of prisoners who had been separated from the prison population, and were unable to mix with other prisoners. The report found that many prisoners are managed in isolation, with potential profound and long-lasting physical and psychological effects.

The report made seven overarching recommendations, including that "Corrections must recognise the profound isolation experienced by segregated and at-risk prisoners, including that many are likely to be subject to solitary confinement as that term is defined by the Mandela Rules (the UN standard minimum rules for the treatment of prisoners)," and 59 areas for consideration. Corrections has accepted the report's recommendations and begun work to progress these.

#### Apparent suicide and self-harm

Apparent Suicide and Self-harm Threat to Life Incidents in New Zealand Prisons 2016-2021 is a review analysing a range of factors surrounding incidents involving apparent suicide and self-harm threat to life. It considers strategies and approaches to ensure that all people in prison are kept safe and identify how serious harm can be prevented. The draft report has six recommendations and 55 areas for consideration and was provided to Corrections in May 2023.

#### **Mothers and babies**

The Mothers and Babies: Managing pregnant women and mothers of infants report is the outcome of an inspection into how pregnant women and those with children under 24 months are managed in Aotearoa New Zealand's three women's prisons, and women with young children in the community. It examines Mothers with Babies Units and feeding and bonding facilities in prison. The draft report has seven recommendations and 44 areas for consideration and was provided to the Department in June 2023.

#### **Special investigations**

#### Management of the LynnMall supermarket attacker

The Inspectorate worked alongside the Independent Police Conduct Authority – Mana Whanonga Pirihimana Motuhake and the Inspector-General of Intelligence and Security – Te Pourewa Mātaki to conduct an independent review of the management of Ahamed Samsudeen, the person responsible for the 3 September 2021 attack at the LynnMall supermarket. The report, *Coordinated Review of the Management of the LynnMall Supermarket Attacker*, "identified some areas where we believe the interventions and actions, and at times the inactions, of 'the system' as a whole fell short and did not produce a good outcome in this case". This report was published in December 2022. The Inspectorate also conducted a separate investigation into Corrections' management of Mr Samsudeen. The Report of investigation into the Department of Corrections in dealing with the LynnMall supermarket attacker before 3 September 2021 made seven findings and found there were additional opportunities for engagement with this person throughout his time in our management. The report was published in December 2022.

#### Death of Malachi Subecz

Following the death of five-year old Malachi Subecz, Chief Inspector Janis Adair was part of the Joint Review into the children's sector: Identification and response to suspected abuse, led by Dame Karen Poutasi. The report, *Ensuring strong and effective safety nets to prevent abuse of children*, was published in November 2022.

The Inspectorate also undertook a desktop review of the management by Corrections of Malachi Subecz's mother, a summary was published in November 2022.

#### Independent inquiry into the Waikeria Prison riot

In December 2022, the Chief Inspector completed an investigation into the circumstances of the riot at Waikeria Prison, which took place between 29 December 2020 and 3 January 2021.

The inquiry investigated what was known prior to the riot, reviewed the response as the incident unfolded, and considered the preparedness of Corrections for a major incident at this site and across the entire prison network. The report has 117 findings and 121 recommendations.

#### **Deaths in custody**

All deaths in custody are reported to the Police and are subject to a coronial inquest and investigation by the Inspectorate, which examines the custodial management and health care provided. The Inspectorate makes recommendations to improve processes and prevent further deaths where possible. Investigations are conducted by inspectors of Corrections, some of whom are registered nurses. The Coroner ultimately determines the cause of death. Where a death in custody is suspicious, Police can make the decision to investigate.

In 2022/23, there were 18 deaths in custody, a decrease of four from 2021/22. Of these deaths, 13 were assumed natural, and five assumed unnatural.

Three Death in Custody reports relating to unnatural deaths that occurred during February and March 2022 respectively did not meet the timeliness criteria due to staffing level pressures. Despite not being completed within the required timeframes, all three reports had been completed by 30 June 2023.

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

AUDITED MEASURE	2020	2021	2022	2023	2023	2024
Assessment of performance	Actual	Actual	Actual	Actual	Budget	Forecast
					(unaudited)	(unaudited)
The 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	100%	75%	82%	67%	Greater than or equal to 80%	Greater than or equal to 80%

#### **Complaints**

This year, the Inspectorate received 4,624 complaints, a decrease of 0.6% from the previous year [2021/22: 4,654], of which 95% related to prisons and 3% to Community Corrections (the remaining 2% were unknown).

The majority of complaints came from five large sites, with 53% coming from Auckland South Corrections Facility, Auckland Prison, Spring Hill Corrections Facility, Rolleston Prison, and Christchurch Men's Prison.

The most frequent complaint categories were the complaints process, prisoner property, health services, and staff conduct and attitude. These comprised 50% of complaints received.

Complaints came from a variety of sources, mainly from people in prison, but also those on community sentences, family and whānau members, lawyers, and members of the public.

During 2022/23, the Inspectorate monitored 150 complaints about staff, a decrease of 10 from the previous year.

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

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

#### Redesigning the complaint resolution system

In 2021, an independent external party was contracted to complete a review of the Corrections' complaint resolution system, with oversight from the Chief Inspector. The review, *Redesigning the Ara Poutama Complaints System: Working towards a manaakitanga approach*, proposed a redesign of the complaints system to move Corrections towards a model that places the person at the centre.

Key changes have been implemented, including:

- a strengthened complaint resolution policy
- a pilot of a dedicated staff position to provide support to frontline staff responsible for complaint handling
- an enhanced process for advocates to support complainants
- the implementation of an integrated database for many complaint types.

## Case study: Update for complaints on the prison kiosk



Our digital complaint system for people in prison has made it easier for people in prison to lodge and manage requests and complaints.

The system has been live in all prisons from December 2022 and has generated approximately 55,800 interactions. It enables people in prison to easily access the complaint process, track the progress of their requests and complaints, and provides an option to escalate complaints if they are unhappy with the initial complaint outcome.

Project Manager Alistair Ross says improvements have also been made to the system based on feedback.

"We were finding people inadvertently lodging allegations against staff when their issue was a request or complaint, so we made it easier for users to choose the right type of complaint. Now we have added a new button to the screen so they can choose the correct option." For staff who manage complaints, this means they receive genuine allegations and fewer entered in error.

The system also allows prison directors and principal corrections officers to see how units and sites are tracking in handling incoming requests and complaints with the aim being to resolve issues as early and easily as possible.

#### Our obligations under the Official Information Act

#### We are committed to the principles of transparency and openness as a vital aspect of being accountable to the people of Aotearoa New Zealand.

The Official Information Act 1982 (OIA) is a key mechanism to promote these principles.

The OIA aims to increase the availability of official information to the public to enable their participation in the making and administration of laws and policies. It also aims to promote the accountability of Ministers of the Crown and officials, thereby enhancing respect for the law and promoting the good governance of Aotearoa New Zealand.

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

In 2022/23, we received and responded to 10,043 OIA requests into our National Office from people we are managing, members of the public, media, and Members of Parliament [2021/22: 8,855]. Of those sent, 99.3% were responded to within legislated timeframes. In 2022/23, we proactively released 34 responses to OIA requests, and four Cabinet papers [2021/22: 31 responses to OIA requests and five Cabinet papers].



#### Official Information Act (OIA) requests

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Received	4,345	5,335	6,824	7,63858	8,996	10,250
Sent	4,054	5,057	6,392	7,491	8,856	10,043
Timeliness %	98.3%	98.5%	98.2%	96.8%	99.2%	99.3%
% released in full	88.0%	88.6%	93.1%	94.2%	91.0%	91.8% <sup>59</sup>
Average days to respond	9.2	6.3	5.5	8.5	6.0	9.2
Approx. OIA to staff ratio	290:1	381:1	487:1	424:1	529:1 <sup>60</sup>	603:1

57. Figure has been restated to reflect a clearer data collection methodology.

58. Figure has been restated to reflect a clearer data collection methodology.

59. Figure has been restated to reflect a clearer data collection methodology.

60. Figure has been restated due to a previous transcription error.

# Statement of responsibility

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#### Statement of Responsibility Ara Poutama Aotearoa

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

- the preparation of Corrections' financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- ensuring that end-of-year performance information on each appropriation administered by Corrections is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report; and
- the accuracy of any end-of-year performance information prepared by Corrections, whether or not that information is included in the annual report.

In my opinion:

- the annual report fairly reflects the operations, progress, and the organisational health and capability of the Department;
- the financial statements fairly reflect the financial position of Corrections as at 30 June 2023 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 2024 and its operations for the year ending on that date.

Signed,

Jeremy Lightfoot Secretary for Corrections and Chief Executive

Te Tumu Whakarae mō Ara Poutama Aotearoa

Date: 29 September 2023

## Independent Auditor's report

#### Independent Auditor's report

### To the readers of Department of Corrections annual report for the year ended 30 June 2023

The Auditor-General is the auditor of Department of Corrections (the Department). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Department on pages 142 to 191, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in taxpayers' funds, statement of cash flows and statement of trust monies for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information for the appropriations administered by the Department for the year ended 30 June 2023 on pages 25 to 49, 52 to 88, 92 to 97, 112, 113, 115, 125 to 133 and 223;
- the statements of expenses and capital expenditure of the Department for the year ended 30 June 2023 on pages 198 and 199;
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 192 to 197 that comprise:
  - » the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2023;
  - » the schedules of expenses for the year ended 30 June 2023; and
  - » the notes to the schedules that include accounting policies and other explanatory information.

#### Opinion

In our opinion:

- the financial statements of the Department:
  - » present fairly, in all material respects:
    - its financial position as at 30 June 2023; and
    - its financial performance and cash flows for the year ended on that date; and
  - » comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the performance information for the appropriations administered by the Department for the year ended 30 June 2023:
  - » presents fairly, in all material respects:
    - what has been achieved with the appropriation; and
    - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
  - » complies with generally accepted accounting practice in New Zealand; and
- the statements of expenses and capital expenditure of the Department are presented, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown present fairly, in all material respects, in accordance with the Treasury Instructions:
  - » the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2023; and
  - » expenses for the year ended 30 June 2023.

Our audit was completed on 29 September 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to the Waikeria Prison Development Project additional cost claims for the impact of COVID-19. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

## Emphasis of matter - Waikeria Prison Development Project: additional cost claims for the impact of COVID-19

Without modifying our opinion, we draw attention to the statement of contingent liabilities and contingent assets on page 148, which outlines that the Department has received claims from the main contractor of the Waikeria Prison Development Project for additional costs due to COVID-19 related matters. Other than for some elements of the claims which were recognised as a provision in the prior year, at this stage it is not possible for the Department to reliably estimate the impact of this matter. However, the impact may be significant.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of the Chief Executive for the information to be audited

The Chief Executive is responsible on behalf of the Department for preparing:

- Financial statements that present fairly the Department's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- Performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- Statements of expenses and capital expenditure of the Department, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- Schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Department on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Department for assessing the Department's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Department, or there is no realistic alternative but to do so.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

#### Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Department's Statement of Intent 2022 – 2026, Estimates of Appropriation and Supplementary Estimates of Appropriation 2022/23 for Vote Corrections, and the 2022/23 forecast financial figures included in the Department's 2021/22 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- We evaluate the appropriateness of the reported performance information for the appropriations administered by the Department.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Department to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 1 to 24, 50, 51, 89 to 91, 98 to 111, 114, 116 to 124, 134 to 136 and 200 to 222, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Report by the Minister of Corrections on non-departmental appropriations in Part E in the Department's annual report is not part of the Department's annual report. The Public Finance Act 1989 does not require the information in the Minister's report to be audited and we have performed no procedures over the information in the Minister's report.

#### Independence

We are independent of the Department in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have carried out engagements in the areas of probity assurance, which are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with or interests in the Department.

andrew Clark

Andrew Clark Audit New Zealand On behalf of the Auditor-General

Wellington, New Zealand

## Annual financial statements

#### Statement of comprehensive revenue and expense

For the year ended 30 June 2023

2022			2023	2023	2023	2024
Actual		Note	Actual	Budget	Supp. Estimates	Forecast
				(unaudited)	(unaudited)	(unaudited)
\$000			\$000	\$000	\$000	\$000
	REVENUE					
1,871,158	Revenue Crown		2,021,36661	2,015,916	2,036,016	2,120,279
912	Departmental revenue		214	-	160	-
43,649	Other revenue	2	33,159	36,174	38,644	34,189
1,915,719	Total operating revenue		2,054,739	2,052,090	2,074,820	2,154,468
	EXPENSES					
900,633	Personnel costs	3	931,763	938,468	989,199	981,366
547,605	Operating costs	4	673,393	588,496	600,335	669,537
200,212	Depreciation and amortisation		205,205	261,336	204,859	215,165
172,105	Capital charge	5	184,722	173,633	187,920	191,563
45,003	Finance costs	15	43,239	90,157	90,157	96,837
1,865,558	Total operating expenses		2,038,322	2,052,090	2,072,470	2,154,468
50,161	Net operating (deficit)/ surplus		16,417	-	2,350	-
	REMEASUREMENTS					
384	Unrealised gain in fair value of biological assets	10	143	-	-	-
(975)	Unrealised gain/(loss) in fair value of shares		408	-	-	-
3,532	Unrealised gain in fair value of discount rates <sup>62</sup>		1,808	-	-	-
224,844	Unrealised gain in fair value of derivative financial instruments	20	50,645	(1,106)	20,831	10,716
227,785	Total remeasurements		53,004	(1,106)	20,831	10,716
277,946	Net surplus/(deficit)		69,421	(1,106)	23,181	10,716
	OTHER COMPREHENSIVE REVENUE AND EXPENSE					
-	Revaluation gain on land and buildings	16	472,851	-	-	-
-	Total other comprehensive revenue and expense		472,851	-	-	-
277,946	Total comprehensive revenue and expense		542,272	(1,106)	23,181	10,716

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

- 61. Actual Revenue Crown was recognised below entitlement (Supplementary Estimates) reflecting the transfer of funding to outyears relating to pre-approved in-principle expense transfers.
- 62. 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 2023

2022			2023	2023	2023	2024
Actual		Note	Actual	Budget	Supp. Estimates	Forecast
				(unaudited)	(unaudited)	(unaudited)
\$000			\$000	\$000	\$000	\$000
3,380,640	Taxpayers' funds		3,689,801	3,560,711	3,689,801	3,988,788
277,946	Net surplus / (deficit)		69,421	(1,106)	23,181	10,716
	Adjustment for flows to and from the Crown					
72,477	Add capital injection from the Crown	16	201,576	103,475	278,156	85,767
-	Revaluation gain	16	472,851	-	-	-
-	Other movements	16	(10)	-	-	-
(41,262)	Provision for payment of surplus to the Crown	14	(18,776)	-	(2,350)	-
31,215	Total adjustments for flows to and from the Crown		655,641	103,475	275,806	85,767
3,689,801	Taxpayers' funds at 30 June		4,414,863	3,663,080	3,988,788	4,085,271

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 2023

2022			2023	2023	2023	202
Actual		Note	Actual	Budget	Supp. Estimates	Forecas
				(unaudited)	(unaudited)	(unaudite
\$000			\$000	\$000	\$000	\$00
	ASSETS Current assets					
66,164	Cash and cash equivalents		109,595	50,000	78,500	50,00
27,992	Prepayments		13,727	23,025	23,025	23,0
635,531	Debtors and other receivables	6	755,978	592,859	560,804	444,6
8,233	Inventories		7,674	4,000	4,000	4,0
2,600	Non-current assets held for sale	7	2,600	-	-	
740,520	Total current assets		889,574	669,884	666,329	521,6
	Non-current assets					
3,857	Investments		4,265	4,750	4,750	4,7
21,933	Derivative financial instruments	15	62,276	-	37,285	35,4
4,554,808	Property, plant, and equipment	8	5,032,135	4,702,191	4,678,917	4,842,1
33,712	Intangible assets	9	35,809	162,296	86,464	136,0
9,251	Biological assets	10	8,904	7,975	7,975	7,9
-	Prepayments		16,000	-	-	
4,623,561	Total non-current assets		5,159,389	4,877,212	4,815,391	5,026,3
5,364,081	Total assets		6,048,963	5,547,096	5,481,720	5,548,0
	LIABILITIES Current liabilities					
156,132	Creditors and other payables	11	183,106	135,000	135,000	135,0
173,259	Employee entitlements	12	178,331	117,869	117,869	117,8
26,570	Service concession arrangements	15	15,858	13,067	27,300	31,9
42,743	Provisions	13	56,149	6,000	6,000	6,0
41,262	Provision for repayment of surplus to the Crown	14	18,776	-	2,350	
439,966	Total current liabilities		452,220	271,936	288,519	290,7
	Non-current liabilities					
18,072	Employee entitlements	12	18,630	20,518	20,518	20,5
14,283	Derivative financial instruments	15	3,981	130,555	9,236	8,7
1,201,959	Service concession arrangements	15	1,159,269	1,461,007	1,174,659	1,142,7
1,234,314	Total non-current liabilities		1,181,880	1,612,080	1,204,413	1,172,0
1,674,280	Total liabilities		1,634,100	1,884,016	1,492,932	1,462,7
	TAXPAYERS' FUNDS					
	General funds	16	2,237,468	1,958,543	2,284,251	2,380,7
1,985,262	-	16	2,177,395	1,704,537	1,704,537	1,704,5
1,985,262 1,704,539	Reserves	10	2,177,070			
	Reserves Total taxpayers' funds	10	4,414,863	3,663,080	3,988,788	4,085,2

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 2023

2022		2023	2023	2023	2024
Actual	Note	Actual	Budget	Supp.	Forecast
			Ĩ	Estimates	
			(unaudited)	(unaudited)	(unaudited)
\$000		\$000	\$000	\$000	\$000
	CASH FLOWS FROM OPERATING ACTIVITIES				
	Cash provided from:				
1,726,087	Receipts from Crown	1,914,143	1,937,797	2,108,490	2,234,076
1,045	Receipts from departments	570	-	(1,313)	-
34,555	Receipts from other revenue	34,121	36,174	43,259	40,389
(11,611)	GST paid/(received)	5,095	-	(14,955)	-
	Cash disbursed to:				
(879,060)	Payments for employees	(922,519)	(935,334)	(1,039,376)	(978,232)
(520,319)	Payments to suppliers	(646,268)	(603,348)	(677,239)	(674,473)
(172,105)	Payments for capital charge	(184,722)	(173,633)	(187,920)	(191,563)
178,592	Net cash flows from operating 17 activities	200,420	261,656	230,946	430,197
	CASH FLOWS FROM INVESTING ACTIVITIES				
	Cash provided from:				
258	Receipts from interest and dividends	310	-	-	-
1,232	Receipts from sale of physical, biological, and intangible assets	1,220	-	-	-
	Cash disbursed to:				
(166,626)	Purchase of physical and biological assets	(203,680)	(177,760)	(229,060)	(320,278)
(7,233)	Purchase of intangible assets	(13,625)	(67,474)	(25,299)	(81,617)
(172,369)	Net cash flows from investing activities	(215,775)	(245,234)	(254,359)	(401,895)
	CASH FLOWS FROM FINANCING ACTIVITIES				
	Cash provided from:				
72,477	Capital injections	201,576	103,475	278,156	85,767
	Cash disbursed to:				
(46,210)	Interest payment	(45,532)	(97,831)	(90,157)	(96,837)
(19,919)	Repayment of financial liabilities	(55,996)	(22,066)	(110,988)	(45,732)
(14,056)	Return of operating surpluses	(41,262)	-	(41,262)	-
(7,708)	Net cash flows from financing activities	58,786	(16,422)	35,749	(56,802)
(1,485)	Net increase/(decrease) in cash	43,431	-	12,336	(28,500)
67,649	Cash at the beginning of the year	66,164	50,000	66,164	78,500
66,164	Cash at the end of the year	109,595	50,000	78,500	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 2023

2022		202
Actual		Actu
\$000		\$00
	CAPITAL COMMITMENTS	
119,962	Buildings	232,50
473	Computer hardware	23
2,406	Motor vehicles	66
823	Plant and equipment	42
6,247	Intangibles	12,40
129,911	Total capital commitments	246,24
	NON-CANCELLABLE OPERATING LEASE COMMITMENTS	
20,619	Less than one year	19,77
62,108	One to five years	58,65
68,662	More than five years	55,66
151,389	Total non-cancellable operating lease commitments	134,09
281,300	Total commitments	380,33

## **Capital commitments**

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition or construction of buildings, service concession arrangements, motor vehicles, plant and equipment and intangible assets that have not been paid for or not recognised as a liability at balance date.

#### Non-cancellable operating lease commitments

Corrections leases premises at many locations throughout New Zealand. The annual lease rentals are subject to regular reviews, usually ranging from two years to three years. The amounts disclosed above as future commitments are based on current rental rates.

The accompanying notes form part of these financial statements.

# Statement of contingent liabilities and contingent assets

# As at 30 June 2023 Quantifiable contingent liabilities

2022 Actual		2023 Actual
\$000		\$000
7,438	Related to Offenders	6,392
1,200	Employees and Contractors	1,195
8,638	Total quantifiable contingent liabilities	7,587

#### Legal proceedings

As at 30 June 2023, Corrections was defending 67 court claims and proceedings which were assessed and had a value for contingent liability (2022: 58). 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 19 employment and contractor-related claims, made mostly by staff members, as at 30 June 2023 (2022: 11).

## Unquantifiable contingent liabilities

#### Waikeria Prison Development Public Private Partnership (PPP) project

In August 2022, the PPP Contractor (Cornerstone Infrastructure Partners), submitted an updated "without prejudice" claim relating to the alleged "effects" of COVID-19. This claim extends the effects to 30 June 2022 (i.e. covering the Omicron variant). The Contractor sought an extension of time of 793 calendar days and monetary relief in the order of \$430 million, which includes amounts claimed by both the Contractor and its construction sub-contractor (CPB). The components of the Contractor's claim that have been formally lodged have been the subject of independent determination by the Independent Reviewer (IR). The IR has largely dismissed relief sought by the Contractor (the Contractor has the option to dispute these determinations if it proceeds with any subsequent claim based on the same grounds).

In April 2023 Corrections, the Contractor and the construction sub-contractor entered into a Project Support Agreement (PSA). The PSA looks to settle certain matters between the parties, however, the CPB's own-account claim in relation to COVID-19 is largely carved out, with one important exception. Neither the Contractor or the construction sub-contractor are able to "double count" in respect of relief available under the PSA and amounts claimed in any subsequent dispute resolution process (noting that a substantial proportion of the COVID-19 claim relates to issues associated with sub-contractors, and that many of these are met through the PSA payments).

At this stage, it is not possible to reliably estimate the impact on Corrections' operations, or its financial position for future periods, in relation to the COVID-19 claim.

#### **Contingent assets**

Corrections has no contingent assets (2022: \$nil).

The accompanying notes form part of these financial statements.

# Statement of trust monies

For the year ended 30 June 2023

	As at	Contribution	Distribution	As at
	1 July 2022			30 June 2023
	\$000	\$000	\$000	\$000
Trust accounts	1,924	20,791	(20,430)	2,285
Total trust accounts	1,924	20,791	(20,430)	2,285

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 residents 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 2023

# Note 1: Statement of accounting policies

# **Reporting entity**

The Department of Corrections (Corrections) is a government department as defined by Section 5 of the Public Service Act 2020. It is domiciled and operates in New Zealand. The relevant legislation governing Corrections' operations includes the Public Finance Act 1989, the Corrections Act 2004, Corrections Regulations 2005, the Public Service Act 2020, the Sentencing Act 2002, the Parole Act 2002, the Public Safety (Public Protection Orders) Act 2014, the Bail Act 2000, and the Returning Offenders (Management and Information) Act 2015.

Corrections is a wholly owned entity of the New Zealand Crown whose primary objective is to administer New Zealand's corrections system in a way that is designed to improve public safety, reduce reoffending, and contribute to the maintenance of a fair and just society.

In addition, Corrections has reported on Crown activities that it administers in the non-departmental statements and schedules on pages 192 to 199.

#### 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 2023 with comparative figures for the year ended 30 June 2022.

The financial statements were authorised for issue by the Chief Executive of the Department of Corrections on 29 September 2023.

## **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, except as disclosed in Note 23, Change to accounting policy.

#### Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) – Tier 1. These standards are based on International Public Sector Accounting Standards (IPSAS).

#### **Measurement base**

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain non-current assets, actuarial valuations of certain liabilities, and the fair value measurement of certain financial instruments.

#### Presentation currency and rounding

The financial statements are presented in New Zealand dollars, rounded to the nearest thousand dollars (\$000).

The functional currency is New Zealand dollars.

## New or amended standards adopted

#### **PBE IPSAS 41 Financial Instruments**

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Corrections has adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard, because the requirements are similar to those contained in PBE International Financial Reporting Standard (IFRS) 9.

#### **PBE FRS 48 Service Performance Reporting**

This Standard establishes new requirements for the selection and presentation of service performance information. Corrections has adopted PBE FRS 48. The main change between PBE FRS 48 and PBE IPSAS 1 Presentation of Financial Statements is that PBE Financial Reporting Standard (FRS) 48 requires additional information to be disclosed on the judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information. This is disclosed on page 25 of the service performance information.

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

Standards and amendments that have been issued but are not yet effective, and that have not been early adopted, and that are relevant to Corrections are:

#### 2022 Omnibus Amendment to PBE Standards

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- » PBE IPSAS 16 Investment Property: The amendments clarify that fair value measurement of self-constructed investment property could begin before the construction is completed.
- » PBE IPSAS 17 Property, Plant, and Equipment: The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- » PBE IPSAS 30 Financial Instruments: Disclosures: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.
- » PBE IPSAS 19 Provisions, Contingent Liabilities, and Contingent Assets: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and, therefore, whether a provision needs to be recognised).

The changes are for financial statements covering periods beginning on or after 1 January 2023.

#### **Critical judgments and estimates**

The preparation of financial statements in conformity with PBE accounting standards requires judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and, expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods.

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 on the following page.

# Critical judgments and estimates (continued)

## 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 judgments in determining the remaining useful lives of land and buildings have been made by Corrections. Assessing the appropriateness of useful lives and residual values of land and buildings requires consideration of a number of factors such as the physical condition, expected period of use by Corrections, and expected proceeds from any disposal.

Any property revaluations are certified by an appropriately qualified valuer. Refer to Note 8 for further details.

# **Budget and forecast figures**

The budget figures are for the year ended 30 June 2023 and were published in the 2021/22 Annual Report. They were included in the Estimates of Appropriations for the Government of New Zealand for the year ended 30 June 2022, which are consistent with the financial information in the Main Estimates. In addition, the financial statements also present the updated budget information from the 2022/23 Supplementary Estimates.

The forecast figures are for the year ending 30 June 2024, and are consistent with the best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) 2023. 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 4 April 2023. 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 2023/24 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 4 April 2023 were as follows:

- » Corrections' activities and output expectations will focus on the Governments' priorities aligned to Corrections' Hōkai 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
- » no impact of the revaluation of land and buildings as at 30 June 2023 has been forecast
- » capital commitments are expected to be realised as planned
- » service concession assets for Auckland South Corrections Facility (ASCF) and Auckland Prison are operating in accordance with unitary charge profiles and priced into the forecast. The Waikeria Prison service concession asset is still under construction
- » prison population/demand levels reflect expected population levels in line with the Justice Sector projection.

# Significant accounting policies

#### Revenue

#### **Revenue - exchange transactions**

#### **Revenue - Department and third party**

Revenue earned in exchange for the provision of outputs (products or services) to third parties is recorded as operating revenue.

Revenue from the supply of services is measured at the fair value of consideration received, recognised on a straight-line basis over the specified period for the services unless an alternative method better represents the stage of completion of the transaction.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer (usually on delivery of the goods), when the amount of revenue can be measured reliably, and it is probable that the economic benefit or service potential associated with the transaction will flow to the entity.

#### Interest revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

#### **Dividend revenue**

Dividend revenue relates to investments arising from Corrections' business dealings with companies in the farming industry. Dividend revenue is recognised when the right to receive payment has been established.

#### **Rental revenue**

Rental revenue arising from residential property leases is accounted for on a straight-line basis over the lease term and included in revenue.

# Note 1: Statement of accounting policies (continued) Significant accounting policies (continued)

## **Revenue (continued)**

## Revenue - non-exchange transactions

## **Revenue Crown**

Revenue from the Crown is measured based on Corrections' funding entitlement for the reporting period.

The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year, and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, Corrections can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

#### Donated or subsidised assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue when control of the asset is transferred to Corrections.

#### Insurance proceeds

Insurance proceeds are recognised when a settlement agreement has been reached which establishes the right to receive payment.

# **Personnel costs**

#### Salaries and wages

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

## **Capital charge**

The capital charge is recognised as an expense in the period to which the charge relates.

## **Finance costs**

Finance costs are recognised in relation to the repayment of the liability associated with the service concession arrangement assets over the contract term as an expense in the financial year in which they are incurred.

Finance costs during the construction period of the service concession asset are considered the private sector partners costs that are built into the agreed purchase price and therefore are not a finance cost of the department.

## **Derivative financial instruments**

Corrections enters into interest rate swap derivative financial instruments with the New Zealand Debt Management Office (NZDMO). These instruments are used to manage Corrections' exposure to fluctuating market interest rates that arise from its Public Private Partnership arrangements.

Derivatives are initially recognised at their fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The resulting gain or loss is recognised within remeasurements in surplus or deficit. The fair value of derivatives is determined using the New Zealand Dollar swap curve that is based on the New Zealand Official Cash Rate, bank bill rates, and swap rates.

# Significant accounting policies (continued)

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.

## Debtors and other receivables

Debtors and other receivables comprise the Debtor Crown together with non-Crown trade debtors and other receivables balances where Corrections has an entitlement to receive payment within 12 months following balance date.

Other than Debtor Crown, which is a statutory receivable, the non-Crown debtors and other receivables are financial assets governed by various contractual arrangements, and include amounts due to Corrections from other entities within the Crown Reporting Group.

The Debtor Crown represents the balance of Crown appropriation available to Corrections and is recognised at the nominal amount receivable.

Non-Crown debtors and other receivables are recognised at the nominal amount due, less an allowance for credit losses. Corrections applies the simplified expected credit loss model of recognising lifetime expected credit losses for debtors and other receivables.

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

# Inventories

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

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

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

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

## 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.

# Significant accounting policies (continued)

## Non-current assets held for sale

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

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

# Property, plant, and equipment

Items of property, plant, and equipment are recognised at cost or valuation, less accumulated depreciation and impairment losses.

## Land and buildings

Land and buildings are stated at fair value as determined by an independent registered valuer. Fair value is determined using market-based evidence, except for prison buildings which are valued at optimised depreciated replacement cost. Land and buildings are revalued at least every three years or whenever the carrying amount differs materially to fair value. Additions between revaluations are initially recorded at cost.

Unrealised gains and losses arising from changes in the value of property, plant, and equipment are recognised as at balance date. To the extent that a gain reverses a loss previously charged to surplus or deficit for the asset class, the gain is credited to surplus or deficit. Otherwise, gains are credited to an asset revaluation reserve for that class of asset. To the extent that there is a balance in the asset revaluation reserve for the asset class, any loss is debited to the reserve. Otherwise losses are reported in the Statement of Comprehensive Revenue and Expense.

Accumulated depreciation at the revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount.

## Other property, plant, and equipment

Other property, plant, and equipment assets are recognised at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Corrections and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Cost incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Corrections and the cost of the item can be measured reliably.

#### Disposals

Realised gains and losses arising from disposal of property, plant, and equipment are recognised in the Statement of Comprehensive Revenue and Expense in the period in which the transaction occurs. When revalued assets are sold or derecognised, the amounts included in asset revaluation reserves in respect of those assets are transferred to general funds.

# Significant accounting policies (continued)

## Property, plant, and equipment (continued)

#### Service concession arrangements

Service concession arrangements are recognised as assets under construction within property, plant, and equipment until the in-service date. Such service concession arrangement assets are capitalised under each asset class to which the nature of the asset relates to in accordance with Corrections' policies, which comply with PBE IPSAS 17 Property, Plant and Equipment.

Service concession assets are recognised initially at cost being the fair value of the amount owed to the concession operator for the construction of the asset at the time the asset becomes operational.

Subsequently, service concession assets are measured in accordance with Corrections' policy relevant to each class of asset.

Payments made to the contractor for the provision of services are recognised as an expense as incurred. Payments relating to the capital component reduce the financial liability when they are made. Finance costs are incurred in relation to the repayment of the service concession liability over the contract term, and are recognised as an expense in the period in which they are incurred.

#### **Depreciation**

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant, and equipment, less any residual value, over its estimated useful life. Motor vehicles that have been classified as non-heavy duty have a residual value of 20%.

Typically, the depreciation rates for classes of property, plant and equipment are as follows:

Class of asset	Useful life	Residual value
Land	Not depreciated	Not applicable
Buildings	3 - 95 years	Nil
Plant and equipment	3 - 10 years	Nil
Furniture and fittings	3 – 5 years	Nil
Computer hardware	3 -10 years	Nil
Motor vehicles	5 – 8 years	20%

The useful life of buildings is reassessed following any revaluation.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful life of the leasehold improvement, whichever is the shorter.

# Note 1: Statement of accounting policies (continued) Significant accounting policies (continued)

## 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.

## **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expense.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Class of asset	Useful life	Residual value
Acquired/internally generated software	3 - 10 years	Nil

## Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing Corrections with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

# **Biological assets**

Corrections' biological assets consist of sheep, beef and dairy cattle, and pigs farmed at various locations throughout New Zealand.

Biological assets are recorded at fair value less costs associated with the sale or disposal of those assets. Gains or losses, due to changes in the per head value of livestock and changes in livestock numbers, are recognised in the Statement of Comprehensive Revenue and Expense.

# Significant accounting policies (continued)

## Investments

Investments comprise listed and unlisted equity investments that arise from Corrections' business arrangements with entities in the farming sector, principally shares in Fonterra Co-Operative Group Limited.

Investments are initially and subsequently measured at their fair value with gains and losses from changes in fair value recognised in remeasurements in surplus or deficit.

When sold, any gain or loss on sale is recognised in surplus or deficit.

#### Impairment of non-financial assets

#### **Cash-generating assets**

Corrections does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return. Corrections holds some commercial assets with the primary objective of providing employment training opportunities to prisoners as part of rehabilitation and reintegration programmes.

## 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 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 leave 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 the employees will reach the point of entitlement, contractual entitlement information; and
- » the present value of estimated future cash flows.

# Significant accounting policies (continued)

## Employee entitlements (continued)

## **Termination benefits**

Termination benefits are recognised in the Statement of Comprehensive Revenue and Expense only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits expected to be settled within 12 months are reported at the amount expected to be paid. Termination benefits not expected to be settled within 12 months are reported as the present value of the estimated future cash outflows.

#### **Defined contribution schemes**

Obligations for contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Revenue and Expense as they are incurred.

## Parental leave

Corrections provides an ex-gratia payment to employees (approximating six weeks' pay) who return to Corrections for a period of time (as specified in contracts, typically three to six months) after being on parental leave.

Corrections anticipates that this provision will be realised within 12 months.

## **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 instruments 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.

# Significant accounting policies (continued)

## Financial instruments (continued)

#### 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.

#### 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 fiveyear 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 the 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.

# Significant accounting policies (continued)

## **Provisions (continued)**

#### **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 they are 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.

# Significant accounting policies (continued)

## **Contingent liabilities**

Contingent liabilities are disclosed in the Statement of Contingent Liabilities at the point at which the contingency is evident. Contingent liabilities are not disclosed if the possibility of an outflow of resources embodying economic resources is remote.

## **Contingent assets**

Contingent assets are disclosed in the Statement of Contingent Assets at the point at which an inflow of economic benefits or service potential is probable.

## **Cost allocation accounting policies**

Corrections has determined the costs of outputs using the cost allocation system outlined below.

Costs that are driven by prisoner or offender-related activities are recognised as direct costs and assigned to outputs. Direct costs are charged to outputs based on actual consumption or activity analysis. Pre-established ratios have been used in some instances, which are reviewed at regular intervals.

Indirect costs are driven by organisational support functions and are not directly related to prisoner or offender activities. Indirect costs are allocated to outputs based on appropriate resource consumption and/or activity analysis.

There have been no changes to cost allocation methodology during the period.

# Changes in accounting policy

There has been no change in accounting policy since the date of the last audited financial statements.

# Note 2: Other revenue

2022		2023
Actual		Actual
\$000		\$000
27,681	Sale of goods	27,887
2,832	Board and rents	2,588
889	Profit on sale of assets	905
12,247	Revenue other	1,779
43,649	Total other revenue	33,159

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

Revenue other includes insurance proceeds of \$805K (2022: \$4.5 million). The insurance proceeds in 2023 were received due to the damage caused by Cyclone Gabrielle and the Auckland flooding.

# Note 3: Personnel costs

2022		2023	2023	2024
Actual		Actual	Budget	Forecast
			(unaudited)	(unaudited)
\$000		\$000	\$000	\$000
872,918	Salaries and wages	906,229	912,264	955,014
4,879	ACC Accredited Employer Programme	4,544	1,495	1,501
193	Government Superannuation Fund contribution expense	152	1,094	1,098
23,673	State Sector Retirement Savings Scheme and KiwiSaver employer contribution	24,427	23,283	23,421
(1,030)	Retiring and long service leave	(3,589)	332	332
900,633	Total personnel costs	931,763	938,468	981,366

# Note 4: Operating costs

2022		2023	2023	2024
Actual		Actual	Budget	Forecast
			(unaudited)	(unaudited)
\$000		\$000	\$000	\$000
22,806	Operating lease rentals	24,777	23,514	23,530
502	Audit fees for annual audit	540	524	524
71	Fees to auditors for other services <sup>63</sup>	67	-	-
96,647	Facilities maintenance	107,769	99,577	99,514
84,852	Offender management costs	94,502	87,043	92,449
59,460	Information technology costs	74,883	54,193	54,247
150,070	Contract management	176,264	170,345	170,646
41,476	Administration	51,381	47,865	45,886
11,425	Inventory expenses	10,728	11,040	11,040
89,795	Other operating costs	108,560	94,395	171,701
(9,981)	Demolition costs	14,100	-	-
482	Loss on sale or write off of assets	9,822	-	-
547,605	Total operating costs	673,393	588,496	669,537

# 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 2023 was 5% per annum (2022: 5% per annum).

<sup>63.</sup> Total fees to auditors for other services in 2023 for probity assurance services totals \$122,934 of which \$55,796 has been capitalised.

# Note 6: Debtors and other receivables

2022		2023
Actual		Actual
\$000		\$000
	CURRENT PORTION	
	Exchange transactions	
5,369	Trade debtors – external	2,673
274	Sundry receivables	464
5,643	Trade debtors – external and employees	3,137
610	Trade debtors – other government entities	254
6,253	Total debtors and receivables from exchange transactions	3,391
	Non-exchange transactions	
629,278	Debtor Crown	752,587
529,278	Total debtors and receivables from non-exchange transactions	752,587
635,531	Total debtors and other receivables	755,978

The carrying value of trade debtors approximates their fair value.

The Debtor Crown of \$752.6 million (2022: \$629.3 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 2023 and 30 June 2022, all overdue receivables were assessed for impairment and appropriate expected credit loss provisions applied.

The expected credit loss rates for receivables at 1 July 2022 and 30 June 2023 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the effect of macroeconomic factors is not considered significant.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

# Note 6: Debtors and other receivables (continued)

The allowance for credit losses at 30 June 2023 and 1 July 2022 were determined as follows:

30 June 2023	Debtors and other receivables days past due					
	Current	1-30 days	31-60 days	61-90 days	More than 90 days	Total
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	-
Gross carrying amount (\$000)	755,500	76	111	2	289	755,978
Lifetime expected credit loss (\$000)	-	-	-	-	-	-

1 July 2022		Debtors and	other receiv	ables days	past due	
	Current	1-30 days	31-60 days	61-90 days	More than 90 days	Total
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	5.9%	-
Gross carrying amount (\$000)	633,144	423	305	134	1,525	635,531
Lifetime expected credit loss (\$000)	-	-	-	-	-	-

Movements in the provision for impairment of debtors and other receivables are as follows:

2022		2023
Actual		Actual
\$000		\$000
63	Balance at 1 July	-
(63)	Provisions made/(released) during the year	-
-	Balance at 30 June	-

# Note 7: Non-current assets held for sale

2022		2023
Actual		Actual
\$000		\$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 has been reclassified as held for sale in 2021 at the carrying value of \$2.6 million as it forms Treaty settlement commercial redress under which a Notice of Interest has been submitted. The sale is expected to be completed by December 2023.

The accumulated property revaluation reserve recognised in equity for the property at 30 June 2023 is \$0.6 million (2022: \$0.6 million).

# Note 8: Property, plant, and equipment

An independent valuer, Beca Limited (Beca), performed the most recent valuation of freehold land and buildings effective as at 30 June 2023. The opinion of value was arrived at by Divya Patel, Registered Valuer (Full Member Property Institute of New Zealand). The total fair value of freehold land and buildings assessed by Beca at 30 June 2023 was \$3,905.4 million. In line with Corrections' accounting policy, land and buildings must be revalued at least once in three years unless the current carrying value of Corrections' land and/or buildings assets is considered to differ materially from their fair value, in which case a revaluation will be undertaken. Until the earlier of these revaluation events, the valuation undertaken in 2023 is considered to be fair and reasonable.

The valuation undertaken by Beca was completed in accordance with PBE IPSAS 17 Property, Plant and Equipment with reference to the International Valuation Standards, effective 31 January 2022 (IVS) and Property Institute of New Zealand "Guidance Papers for Valuers & Property Professionals", specifically NZVGP502 - Valuations of Real Property, Plant & Equipment for use in New Zealand Financial Reports.

In completing the valuation, assets which have a known and visible market have been valued using the following appropriate methods:

- » Community Corrections site land and buildings have been valued in accordance with Income and Market valuation approaches. Community Corrections site buildings without a land component have been valued using a Cost approach. Seismic strength of the buildings has been an important consideration in assessing the value of these properties
- » Prison complex assets that are considered to be specialised assets have been valued using the depreciated replacement cost method, with the land component valued using a market sales evidence approach
- » Land is valued at fair value using market-based evidence based on its highest and best use. Restrictions on title have been reflected in the valuation through making allowances based on comparable sales.
- » Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2023 valuation include:
  - The replacement cost of the specific assets are adjusted where appropriate for optimisation due to overdesign or surplus capacity.
  - The replacement cost is derived from recent construction costs. The specialised construction requirements of prison and correctional facility buildings result in construction rates being higher than other similar types of buildings.
  - The remaining useful life of assets is estimated after considering factors such as age, condition, functional obsolescence, technological obsolescence, environmental considerations, future maintenance and replacement plans, and experience with similar buildings.
  - The standard lives for different building components have been revised based on Beca's understanding of the use and performance of Corrections' assets across the portfolio.

Corrections currently holds residential properties that were purchased in the 1960s within its property portfolio. These properties are held to provide accommodation to staff working in prisons in rural areas or for future operational purposes. The rental revenue that is received from these properties is incidental, as opposed to being held for investment purposes. The net carrying amount of these properties is \$6.4 million (2022: \$5.8 million).

Corrections constructs prison buildings, including associated items of property, plant, and equipment, which are classified as assets under construction during the construction period and are capitalised to the appropriate property, plant, and equipment class at the in-service date. Assets under construction include buildings \$968.3 million (2022: \$892.7 million), leasehold improvements \$4.4 million (2022: \$10.3 million), and other assets \$21.6 million (2022: \$22.3 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 a finance cost of the department, and are not considered in the revaluation of the service concession assets.

## Held for sale

Corrections classifies property, plant, and equipment assets expected to be sold in the next 12 months as assets held for sale. The land at Barrowcliffe Place has been reclassified as held for sale at the carrying value of \$2.6 million. (Refer to Note 7).

## Heritage assets

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

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

## **Restrictions on title**

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

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

# Public Private Partnership (PPP) arrangements

## Auckland South Corrections Facility

Operations at the 960 bed Auckland South Corrections Facility (ASCF) commenced in May 2015. The facility was designed, financed, and built through a PPP with SecureFuture Wiri Limited (SFWL) as contractor. Under the agreement, Corrections provided existing department owned land, adjacent to Auckland Region Women's Corrections Facility, to SFWL on which to build the prison. SFWL will continue to operate and maintain the prison for a period of 25 years, after which responsibility for ongoing maintenance and operations will revert to Corrections. The Chief Executive of the Department of Corrections will be responsible for the safe, secure, and humane containment of prisoners on that site.

The carrying values of PPP assets relating to ASCF comprise land \$43.4 million (2022: \$34.2 million), buildings \$340.5 million (2022: \$304 million), and plant and equipment \$0.5 million (2022: \$1.5 million).

Under this agreement Corrections pays a monthly unitary charge to SFWL from service commencement. This charge covers, and is allocated between:

- » Construction of the facility these costs are not repriced, and are recognised as a reduction against the service concession arrangement liability. Repayment of the service concession arrangement liability will be over a term of 25 years from service commencement at an effective interest rate of 8.65% (2022: 8.79%) per annum. Certain major capital expenditure incurred (such as re-roofing, replacement of heating units) during the term of the agreement is paid for by Corrections at the time it is provided by SFWL, and the unitary charge is adjusted at this time for these amounts.
- » Finance costs finance costs are repriced every five years, and the amount Corrections pays to SFWL is adjusted. Finance charges are recognised as an expense using the effective interest rate method.
- » Service costs these costs cover the operation of the facility as well as routine repairs and maintenance required to keep the facility operational and in good condition. A portion of these costs is indexed to the Consumer Price Index and the Labour Cost Index. Any change in these service costs will result in a change to the amount Corrections pays to SFWL. Service costs are recognised as an expense in the period incurred.
- » Lifecycle costs these costs are additional to routine repairs and maintenance carried out during the contract lifetime, which is agreed upfront.

The agreement provides for cancellation under certain circumstances, including for specified non-performance. There is no right of renewal at the end of the contracted 25-year term.

In September 2022, SFWL refinanced the existing debt facility which was in line with the scheduled refinancing date. Corrections has contracted an interest rate swap with NZDMO to mitigate exposure to interest rate risk (refer Notes 15 and 20).

# Public Private Partnership (PPP) arrangements (continued)

## **Auckland Prison**

Construction of the new maximum security facility at Auckland Prison was completed in July 2018. While the total maximum prisoner capacity has remained unchanged, the new modern facility will continue to ensure the safe containment of prisoners, and allow prisoners who have high and complex needs to receive care in an environment that supports them and the delivery of high quality rehabilitative and reintegrative services.

The facility was designed, financed, built, and will be maintained through a PPP with Next Step Partners LP (NSP) as contractor. Under the agreement, Corrections continues to undertake custodial operations and NSP will maintain the prison, including the integrated Auckland West facility, for a period of 25 years following construction completion. After this, responsibility for ongoing maintenance will revert to Corrections.

The land under the new maximum security facility was provided by Corrections. The carrying values of PPP assets relating to Auckland Prison comprise land \$3.0 million (2022: \$3.2 million), buildings \$354.3 million (2022: \$318.4 million), plant and equipment \$1.8 million (2022: \$3.4 million), and other equipment Nil (2022: \$0.8 million).

Under the agreement Corrections pays a monthly unitary charge to NSP from service commencement. This charge covers, and is allocated between:

- » Construction of the facility these costs are not repriced, and are recognised as a reduction against the service concession liability. Repayment of the service concession liability will be over a term of 25 years from service commencement at an effective interest rate of 5.88% (2022: 5.85%) per annum.
- » Finance costs finance costs are repriced every five years and the amount Corrections pays to NSP is adjusted. Finance charges are recognised as an expense using the effective interest rate method.
- » Service costs these costs cover the maintenance of the facility required to keep the facility operational and in good condition. A portion of these costs is indexed to the Consumer Price Index and the Labour Cost Index. Any change in these service costs will result in a change to the amount Corrections pays to NSP. Service costs are recognised as an expense in the period incurred.
- » Lifecycle costs these costs are additional to routine repairs and maintenance carried out during the contract lifetime which is agreed upfront.

The agreement provides for cancellation under certain circumstances, including for specified non-performance. There is no right of renewal at the end of the contracted 25-year term.

NSP refinanced the existing debt facility in July 2022, two months ahead of the scheduled refinancing date. Corrections has contracted two interest rate swaps with NZDMO to mitigate exposure to interest rate risk (refer Notes 15 and 20).

# Public Private Partnership (PPP) arrangements (Continued)

# New Facility at Waikeria Prison

Construction on the new facility at Waikeria Prison commenced in September 2018. Built on Corrections land adjacent to the existing Waikeria Prison, the new facility will develop an additional 600 beds, including 96 beds in a dedicated mental health treatment unit aimed at delivering a more effective and resilient prison network, and increased capability and capacity for mental health treatment.

The facility was designed, financed, built, and will be maintained through a PPP with Cornerstone Infrastructure Partners LP (CIP) as contractor. Under the agreement, custodial operations will continue to be carried out by Corrections, and CIP will maintain the new facility for a period of 25 years following construction completion. After this, responsibility for ongoing maintenance will revert to Corrections.

The land under the new facility is owned by Corrections. The carrying value of assets relating to Waikeria Corrections and Treatment Facility within assets under construction is \$916.1 million (2022: \$812.1 million).

Under the agreement Corrections pays a monthly unitary charge to CIP from service commencement. This charge covers, and is allocated between:

- » Construction of the facility these costs are not repriced, and are recognised as a reduction against the service concession liability. Repayment of the service concession liability will be over a term of 25 years from service commencement at an effective interest rate of 4.99% (2022: 6.59%) per annum.
- » Finance costs finance costs are repriced every five years and the amount Corrections pays to CIP is adjusted. Finance charges are recognised as an expense using the effective interest rate method. Corrections has contracted an interest rate swap with NZDMO to mitigate exposure to interest rate risk (refer Notes 15 and 20).
- » Service costs these costs cover the maintenance of the facility required to keep the facility operational and in good condition. A portion of these costs is indexed to the Consumer Price Index and the Labour Cost Index. Any change in these service costs will result in a change to the amount Corrections pays to CIP. Service costs are recognised as an expense in the period incurred.
- » Lifecycle costs these costs are additional to routine repairs and maintenance carried out during the contract lifetime which is agreed upfront.

In April 2023, Corrections entered into a Project Support Agreement with CIP and its subcontractors on project completion dates and contractual costs. As part of the agreement, the debt component of the quarterly unitary charges will continue to be paid ahead of the proposed project completion. The repayment of debt component of the quarterly unitary charges totalled \$44.8 million in financial year 2022/23 (2022: \$6.8 million). These payments result in the value of the PPP asset being greater than the PPP liability at 30 June 2023.

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.

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	Land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fittings	Computer hardware	Motor vehicles	Assets under construction	Total Property, plant, and equipment \$000
COST OR VALUATION									
Balance at 1 July 2021	220,984	3,139,890	51,915	127,384	25,152	38,958	59,899	972,502	4,636,684
Additions	I	76,183	1,748	7,771	1,167	3,765	5,750	211,438	307,822
Disposals/write-offs	I	(25)	[13,354]	[2,658]	[127]	[7,141]	(3,591)	I	[26,896]
Transfers	I	217,891	34,777	2,467	2,611	335	I	(258,685)	(604)
Cost or valuation at 30 June 2022	220,984	3,433,939	75,086	134,964	28,803	35,917	62,058	925,255	4,917,006
Add: Movements									
Additions	I	17,675	1,497	6,294	1,730	2,640	8,482	170,249	208,567
Disposals/write-offs	I	'	[1,915]	(1,022)	[9]	[8]	(4,330)	[9,084]	[16,365]
Transfers	I	63,770	7,057	16,958	836	3,491	I	[92,112]	1
Revaluation increase/(decrease)	33,200	135,844	I	I	I				169,044
Cost or valuation at 30 June 2023	254,184	3,651,228	81,725	157,194	31,363	42,040	66,210	994,308	5,278,252
Accumulated depreciation and impairment losses									
Balance at 1 July 2021	I	1	[40,247]	(80,871)	(21,032)	(26,537)	(35,296)	I	(203,983)
Depreciation expense	I	[148,461]	[5,718]	[15,140]	(1,352)	(8,527)	[5,211]	I	[184,409]
Disposals/write-offs	I	18	13,362	2,270	127	7,138	3,279	I	26,194
Transfers	I	I	I	2,122	(2,122)	I	I	I	I
Revaluation increase/(decrease)	ı		1	I	ı		'	I	1
Accumulated depreciation and impairment losses at 30 June 2022	T	(148,443)	(32,603)	(91,619)	(24,379)	(27,926)	(37,228)		(362,198)
Add: Movements									
Depreciation expense	I	(155,364)	[6,487]	(17,235)	[1,881]	(7,538)	[5,694]	I	[194,199]
Disposals/write-offs	I	'	1,914	878	I	4	3,677	I	6,473
Transfers	I	'	I	I	I	1	I	I	I
Revaluation increase/(decrease)	I	303,807	1		T			1	303,807
Accumulated depreciation and impairment losses at 30 June 2023	I		(37,176)	(107,976)	(26,260)	(35,460)	(39,245)		(246,117)
Carrying amounts per asset class									
At 30 June 2023	254,184	3,651,228	44,549	49,218	5,103	6,580	26,965	994,308	5,032,135
At 30 June 2022	220,984	3,285,496	42,483	43,345	4,424	7,991	24,830	925,255	4,554,808

# Note 9: Intangible assets

	Acquired software	Internally generated software	Assets under construction	Total Intangible assets
	\$000	\$000	\$000	\$000
COST OR VALUATION				
Balance 1 July 2021	52,472	163,894	14,767	231,133
Additions	-	2,372	4,861	7,233
Disposals/write-offs	(30,688)	(92,436)	(9)	(123,133)
Transfers	209	8,319	(7,924)	604
Cost or valuation at 30 June 2022	21,993	82,149	11,695	115,837
Add: Movements				
Additions	-	1,778	11,846	13,624
Disposals/write-offs	(10,319)	(5,178)	(271)	(15,768)
Transfers	99	3,414	(3,513)	-
Cost or valuation at 30 June 2023	11,773	82,163	19,757	113,693
Accumulated amortisation and impairment losses				
Balance 1 July 2021	(48,580)	(140,749)	-	(189,329)
Amortisation expense	(2,869)	(12,934)	-	(15,803)
Disposals/transfers	30,567	92,440	-	123,007
Accumulated amortisation and impairment losses at 30 June 2022	(20,882)	(61,243)	-	(82,125)
Add: Movements				
Amortisation expense	(1,040)	(9,966)	-	(11,006)
Disposals/transfers	10,319	4,928	-	15,247
Accumulated amortisation and impairment losses at 30 June 2023	(11,603)	(66,281)	-	(77,884)
Carrying amounts				
At 30 June 2023	170	15,882	19,757	35,809
At 30 June 2022	1,111	20,906	11,695	33,712

Corrections develops and maintains internally generated software, which is classified as an asset under construction and capitalised at the in-service date.

There are no restrictions over the title of Corrections' intangible assets, nor are any intangible assets pledged as security for liabilities.

# Note 10: Biological assets

2022		2023
Actual		Actual
\$000		\$000
	COST OR VALUATION	
8,802	Balance at 1 July	9,251
163	Purchases	84
8,193	Net gain due to regeneration, maturation, and changes in unit values	8,412
(7,907)	Sales/harvest	(8,843)
9,251	Cost or valuation at 30 June	8,904
449	Net change	(347)
65	Change due to movement in quantity	(490)
384	Change due to movement in fair value	143
9,251	Carrying amounts at 30 June	8,904

Corrections farms sheep, beef and dairy cattle, and pigs at various locations throughout New Zealand. The valuation of livestock is based on the active market price and was undertaken by various independent livestock valuers. There are no restrictions over the title of Corrections' biological assets, nor are any biological assets pledged as security for liabilities.

Corrections has assessed the impact of Mycoplasma bovis on its biological assets. Based on testing to date, there is a very low risk of stock being impacted, and therefore no adjustments to the carrying value of these assets is necessary.

# Note 11: Creditors and other payables

2022		2023
Actual		Actual
\$000		\$000
	EXCHANGE TRANSACTIONS	
11,747	Trade creditors	7,246
117,617	Accrued expenditure	129,547
2,521	Income in advance	2,103
131,885	Total creditors and other payables from exchange transactions	138,896
	NON-EXCHANGE TRANSACTIONS	
24,247	GST payable	44,210
24,247	Total creditors and other payables from exchange transactions	44,210
156,132	Total creditors and other payables	183,106

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

In 2020/21, \$6.9 million of income in advance related to business continuity insurance received in advance for future operational costs. \$4.5 million of the \$6.9 million has been recognised as revenue in 2021/22 and an additional \$600K was recognised in 2022/2023, leaving a balance of \$1.8 million for future operational costs. Corrections classifies creditors and other payables that are expected to be settled within 12 months as current.

# Note 12: Employee entitlements

2022		2023
Actual		Actual
\$000		\$000
	CURRENT LIABILITIES	
26,937	Retiring and long service leave	15,676
106,102	Annual leave	107,214
4,648	Sick leave	4,266
30,540	Accrued salaries and wages	46,302
1,331	Parental leave	1,172
3,701	Holidays Act provision	3,701
173,259	Total current portion	178,331
	Non-current liabilities	
18,072	Retiring and long service leave	18,630
18,072	Total non-current portion	18,630
191,331	Total employee entitlements	196,961

Employee entitlements, expected to be settled within 12 months of balance date, are measured at nominal values based on accrued entitlements at current rates of pay.

Corrections classifies employee entitlements as current:

- » that are expected to be settled within 12 months after the balance date; and
- » where Corrections does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

## Retiring and long service leave

The present value of the retiring and long service leave obligations depends on multiple factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability are the discount rates, and the salary inflation factors. Any changes in these assumptions will impact on the carrying amount of the liability.

Independent valuer David Chamberlain (Fellow of the New Zealand Society of Actuaries) from Melville Jessup Weaver valued the retiring and long service leave as at 30 June 2023.

The major assumptions used in the 30 June 2023 valuation are that future salary growth rates of 6.1% in 2024 and an average of 3.6% thereafter (2022: 3.1% in 2023 and 2.4% thereafter) per annum, and discount rates ranged from 4.19% to 5.43% (2022: 3.34% to 4.31%) per annum for the next 10 years. The discount rates used are those advised by Treasury and the long-term salary inflation assumption in the public sector.

If the discount rate were to increase/decrease by 1% from Corrections' estimates, with all other factors held constant, the carrying amount of the liability and the surplus/(deficit) would be an estimated \$2 million lower/\$2.3 million higher respectively.

If the salary inflation factor were to increase/decrease by 1% from Corrections' estimates, with all other factors held constant, the carrying amount of the liability and the surplus/(deficit) would be an estimated \$2.3 million higher/\$2 million lower respectively.

# Note 12: Employee entitlements (continued)

# Holidays Act 2003 provision

Corrections has worked to comply with an Enforceable Undertaking issued under the Employment Relations Act 2000 to modify our payroll system to be fully compliant and completed the work in calculating any liabilities due and owing to current employees (completed in November 2019). Further work to fulfil our obligation to remediate past employees is still in progress.

Corrections has estimated the amount of the obligation under the Act to remediate the past employees and recognised a provision in the financial statements. The provision as at 30 June 2023 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

2022		2023	2023	2023
Total provisions		Employee accidents	Other provisions	Total provisions
Actual		Actual	Actual	Actual
\$000		\$000	\$000	\$000
	CURRENT PROVISIONS			
42,402	Balance at 1 July	11,485	31,258	42,743
16,120	Additional provisions made during the year	4,236	23,586	27,822
(15,779)	Charged against provision for the year	(2,121)	(12,295)	(14,416)
42,743	Total current provisions	13,600	42,549	56,149
42,743	Total provisions	13,600	42,549	56,149

## **Employee accidents**

The provision relates to the estimation of Corrections' outstanding claims liability under the ACC Accredited Employer's Programme. An independent valuer, Craig Lough (Fellow of the New Zealand Society of Actuaries) from Melville Jessup Weaver, provided an estimate of the outstanding claims liability as at 30 June 2023 and 30 June 2022.

#### 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 trends in claims costs.
- » the discount rates were based on government bond yields published by the Reserve Bank of New Zealand Te Pūtea Matua.
- » 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% (2022: 11.6%) per annum would be added by ACC.

# Note 13: Provisions (continued)

# Employee accidents (continued)

## Key assumptions (continued)

The estimated ACC AEP outstanding claims liability as at 30 June 2023 included a provision for future claims handling expenses of 6.0% (2022: 8.7%) per annum of expected future claim costs.

Corrections manages its exposure arising from the programme by promoting a safe and healthy working environment through:

- » implementing and monitoring health and safety policies
- » providing health and safety induction training
- » actively managing workplace injuries to ensure employees return to work as soon as practicable
- » recording and monitoring workplace injuries and near misses to identify risk areas and implementing mitigating actions
- » identifying workplace hazards and implementing appropriate safety procedures.

## Other provisions

#### Waikeria incident

Following the Waikeria Riot in December 2020, a provision for demolition of the top jail was recognised in the 2020/21 financial year. As at 30 June 2023, there is a remaining provision for demolition costs of \$7.2m. This demolition is expected to be completed in October 2023.

#### Christchurch Men's Prison demolition costs

An End of Life assessment was completed on the Matai, Kauri and Rawhiti High Security accommodation units in 2021 which showed these were no longer 'fit for purpose' to house or hold prisoners. These buildings have been permanently decommissioned and will be demolished. Based on cost estimates, a provision of \$17.1 million has been recognised as at 30 June 2023. The demolition work is planned to be completed within 12 months from 30 June 2023.

## **Restructuring provision**

On 18 May 2023, the Department of Corrections released a consultation document proposing an organisational restructure as part of the ongoing Hōkai Rangi Pathway Forward (HRPF) changes. The restructure proposes changes to the management structure and the way the organisation is set up to deliver on its outcomes. A provision of \$6.445m for restructuring costs relating to the HRPF organisational change has been recognised as at 30 June 2023.

# Note 14: Provision for repayment of surplus to the Crown

2022		2023
Actual		Actual
\$000		\$000
277,946	Net surplus/(deficit)	69,421
	Add	
(11,840)	Retention of Surplus	-
(224,844)	Unrealised gain in fair value of derivative financial instruments	(50,645)
41,262	Adjusted net surplus	18,776
41,262	Provision for repayment of surplus to the Crown	18,776

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

# Note 15: Other financial liabilities

2022		2023
Actual	Note	Actual
\$000		\$000
1,228,529	Service concession arrangements 20	1,175,127
(7,650)	Derivative financial instruments 20	(58,295)
1,220,879	Total net financial liabilities/(assets)	1,116,832
	Non-current assets	
(21,933)	Derivative financial instruments	(62,276)
	Current liabilities	
26,570	Service concession arrangements	15,858
	Non-current liabilities	
1,201,959	Service concession arrangements	1,159,269
14,283	Derivative financial instruments	3,981
1,220,879	Total net financial liabilities/(assets)	1,116,832

# Reconciliation of movements in liabilities arising from financing activities

2022 Total		2023 Service concession arrangements	2023 Derivative Financial Instruments	2023 Total
Actual		Actual	Actual	Actual
\$000		\$000	\$000	\$000
1,334,713	BALANCE AT 1 JULY 2022	1,228,529	(7,650)	1,220,879
(19,919)	Net Cash flows	(55,997)	-	(55,997)
(224,844)	Fair value movements	-	(50,645)	(50,645)
130,929	Other changes	2,595	-	2,595
1,220,879	Balance at 30 June 2023	1,175,127	(58,295)	1,116,832

#### Service concession arrangements

Other financial liabilities include Corrections' liabilities under service concession arrangements (Refer Note 8).

Each liability will be repaid over a term of 25 years from its service commencement. Service concession arrangement liabilities that Corrections expects to be settled within 12 months of balance date are classified as current.

Corrections has no securities against other financial liabilities.

# Note 15: Other financial liabilities (continued)

# **Derivative financial instruments**

Corrections uses derivative financial instruments in the form of interest rate swaps entered into with the New Zealand Debt Management Office (NZDMO) to manage its exposure to fluctuating market interest rates arising from its Public Private Partnership (PPP) arrangements.

At 30 June 2023, the total notional principal amount outstanding for Corrections' interest rate swap derivatives was \$1,215.2 million (2022: \$1,226.6 million).

Corrections has four (2022: four) interest rate swaps with the NZDMO, and these derivatives are classified as noncurrent.

For the arrangement with Next Step Partners, the first interest rate swap derivative is calculated at a fixed interest rate of 4.78% and the second at 2.60% per annum and the maturity dates range from 2022 to 2042.

For the arrangement with SecureFuture Wiri Limited, the interest rate swap derivative is calculated at a fixed rate of 3.78% per annum and the maturity dates range from 2019 to 2039.

For the arrangement with Cornerstone Infrastructure Partners, the interest rate swap derivative is calculated at a fixed rate of 3.91% per annum and the maturity dates range from 2023 to 2046.

These derivatives are measured at fair value determined as at the balance date using the New Zealand dollar swap curve, which is made up of the New Zealand Official Cash Rate, bank bill rates, and swap rates.

As a result of a higher interest rate environment, the present value of the liability has decreased. The resulting unrealised gain in fair value of derivative financial instruments between 30 June 2022 and 30 June 2023 of \$50.6 million (2022: unrealised gain \$224.8 million) is recognised within remeasurements in the net surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Derivatives are reported in the Statement of Financial Position as assets when their fair value is positive, and as a liability when their fair value is negative.
#### Note 16: Taxpayers' funds

Taxpayers' funds comprise general funds and revaluation reserves.

2022		2023
Actual	Note	Actual
\$000		\$000
	GENERAL FUNDS	
1,676,101	Balance at 1 July	1,985,262
277,946	Net surplus	69,421
72,477	Capital contribution from the Crown	201,576
-	Other movements	(15)
350,423	Total movement in general funds	270,982
(41,262)	Provision for repayment of surplus to the Crown 14	(18,776)
1,985,262	Balance at 30 June	2,237,468
	REVALUATION RESERVES	
1,704,539	Balance at 1 July	1,704,539
-	Revaluation gains	472,851
	Other movements	5
1,704,539	Balance at 30 June	2,177,395
3,689,801	Total taxpayers' funds at 30 June	4,414,863

2022		2023
Actual		Actual
\$000		\$000
	REVALUATION RESERVES	
	Land	
168,491	Balance at 1 July	168,491
-	Revaluation gains	33,200
168,491	Balance at 30 June	201,691
	Buildings	
1,536,048	Balance at 1 July	1,536,048
-	Revaluation gains	439,651
	Other movements	5
1,536,048	Balance at 30 June	1,975,704
1,704,539	Total revaluation reserves at 30 June	2,177,395

Corrections has no restricted reserves.

## *Note 17: Reconciliation of net surplus/(deficit) to net cash flow from operating activities*

2022		2023
Actual		Actual
\$000		Actual \$000
277,946	Net Surplus	69,421
277,740	Add/(less) non-cash items	07,421
200,212		205,205
(224.844)	Derivative financial instrument increase	(50,645)
(224,844)		(30,843)
(3,332)	Biological assets revaluation gain	(1,808)
()	Share fair value (increase)/decrease	( ) ,
975	Gain on retiring and long service leave Total non-cash items	(408)
(27,573)		152,201
	(Increase)/decrease in working capital	
(167,370)	Debtors and other receivables	(120,446)
(2,525)	Inventories	559
14,208	Prepayments	(1,735)
27,703	Creditors and other payables	26,755
341	Provisions	13,406
20,646	Employee entitlements	5,630
(106,997)	Working capital movements – net	(75,831)
	Add/(less) items classified as investing or financing activities	
(65)	Biological assets decrease	490
-	Investment increase	-
(258)	Interest and dividends received	(310)
(402)	Net loss on sale or disposal of non-current assets	8,917
(9,062)	PPP refinancing movements	2,293
45,003	Interest on other financial liabilities	43,239
35,216	Total investing or financing activity items	54,629
178,592	Net cash flow from operating activities	200,420

#### Note 18: Related party disclosure

Corrections is a wholly owned entity of the New Zealand Crown. The Government significantly influences the strategic direction, operating intentions, and business operations of Corrections as well as being its major source of revenue.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship, on terms and conditions no more or less favourable than those that it is reasonable to expect Corrections would have adopted in dealing with the party at arms' length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Corrections has determined key management personnel as the Chief Executive and the individual members of the Executive Leadership Team. Remuneration applicable to key management personnel is disclosed under Note 19.

There were no related party transactions or commitments to disclose (2022: Nil).

The Treasury advises that responsible Minister Hon Kelvin Davis has certified that he has no related party transactions for the year ended 30 June 2023 (2022: Minister Hon Kelvin Davis – Nil).

#### Note 19: Key management personnel compensation

Corrections' key management personnel are the seven members of the Executive Leadership Team, which includes the Chief Executive, five Deputy Chief Executives, and the National Commissioner (2022: seven – Chief Executive, five Deputy Chief Executives, and the National Commissioner).

2022		2023
Actual		Actual
\$000		\$000
2,739	Executive Leadership Team Remuneration	3,075
7.56	Full-time equivalent staff	7.8

#### 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:

2022		2023
Actual	Note	Actual
\$000		\$000
	FINANCIAL ASSETS	
	Financial assets measured at amortised cost	
66,164	Cash and cash equivalents	109,595
635,531	Debtors and other receivables 6	755,978
701,695	Total financial assets measured at amortised cost	865,573
	Financial assets mandatorily measured at fair value through surplus or deficit	
21,933	Derivative financial instruments	62,276
3,857	Investments	4,265
727,485	Total financial assets	932,114
	FINANCIAL LIABILITIES	
	Financial liabilities measured at amortised cost	
156,132	Creditors and other payables 11	183,106
1,228,529	Service concession arrangements 15	1,175,127
1,384,661	Total financial assets measured at amortised cost	1,358,233
	Financial liabilities mandatorily measured at fair value through surplus or deficit	
14,283	Derivative financial instruments 15	3,981
1,398,944	Total financial liabilities	1,362,214

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.

			2022			2023	
		Valı	uation techniq	ue	Valuation technique		
		Quoted market price	Significant non- observable inputs	Total	Quoted market price	Significant non- observable inputs	Total
		Level 1	Level 3		Level 1	Level 3	
	Note	\$000	\$000	\$000	\$000	\$000	\$000
FINANCIAL ASSETS							
Derivative financial instruments	15	-	21,933	21,933	-	62,276	62,276
Investments		3,857	-	3,857	4,265	-	4,265
Total financial assets		3,857	21,933	25,790	4,265	62,276	66,541
FINANCIAL LIABILITIES							
Derivative financial instruments	15	-	14,283	14,283	-	3,981	3,981
Total financial liabilities		-	14,283	14,283	-	3,981	3,981

#### 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.

#### Fair value hierarchy (continued)

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

2022		2023
Actual	Note	Actual
\$000		\$000
217,194	Balance at 1 July 15	(7,650)
(224,844)	Gain recognised in surplus or deficit	(50,645)
(7,650)	Balance at 30 June 15	(58,295)

#### 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.

Correction engages in few overseas transactions and has no foreign currency denominated assets or liabilities at balance date (2022: 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.

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 became 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%.

#### Financial instrument risk (continued)

For the arrangement with Cornerstone Infrastructure Partners LP, the effective interest rate is fixed at 6.15% until 25 August 2023, the interest rate becoming 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.

2022 Impact on net surplus/ (deficit) \$000		Change in interest rate (basis points)	2023 Impact on net surplus/ (deficit) \$000
105,809	Interest rate swap derivatives	+100	99,423
(117,833)	Interest rate swap derivatives	-100	(109,305)

#### **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.

Credit quality of financial assets (continued)

2022		2023
Actual	Note	Actual
\$000		\$000
	Cash and cash equivalents	
66,164	ААА	109,595
66,164	Total cash and cash equivalents	109,595
	Debtors and other receivables	
629,278	ААА	752,584
6,253	Counterparties without credit ratings	3,394
635,531	Total debtors and other receivables 6	755,978
	Investments	
3,857	AA+	4,265
3,857	Total investments	4,265

#### Debtors and other receivables

Debtors and other receivables are mainly comprised of Debtor Crown and NZDMO (both Standard and Poor's credit rating of AAA), receivables from external parties, and other government entities. For its receivables from external parties and other government entities, Corrections does not have significant concentrations of credit risk.

#### Liquidity risk

Liquidity risk is the risk that Corrections will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, Corrections closely monitors its forecast cash requirements with expected cash drawdowns from the NZDMO. Corrections maintains a target level of available cash to meet liquidity requirements.

#### Contractual maturity analysis of financial liabilities

The table 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.

#### Contractual maturity analysis of financial liabilities (continued)

As the interest rate fluctuate, Corrections' interest rate swap derivatives may sometimes become financial assets and would not be included in the table below (refer to Note 15).

	Note	Less than 1 year	1-2 years	2-5 years	5-10 years	More than 10 years	Total
		\$000	\$000	\$000	\$000	\$000	\$000
As at 30 June 2022							
Creditors and other payables	11	131,886	-	-	-	-	131,886
Service Concession arrangements	15	118,344	126,588	387,464	622,991	1,487,562	2,742,949
Derivative financial instruments	15	1,390	1,258	4,922	5,612	5,402	18,584
Total financial liabilities		251,620	127,846	392,386	628,603	1,492,964	2,893,419
	Note	Less than 1 year	1-2 years	2-5 years	5-10 years	More than 10 years	Total
		\$000	\$000	\$000	\$000	\$000	\$000
As at 30 June 2023							
Creditors and other payables	11	138,896	-	-	-	-	138,896
Service Concession arrangements	15	114,441	126,917	375,147	623,988	1,285,429	2,525,922
Service Soffeession an angements							
Derivative financial instruments	15	(2,413)	(944)	4,103	4,610	460	5,816

#### 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.

# DEPARTMENT OF CORRECTIONS

#### 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 \$5.5 million. This increase is mainly due to new funding for Corrections wage pressures, and capital charge to reflect interest risk on liabilities. This has been offset by a operating to capital budget transfer as a result of the delay in the Waikeria Development Project.

Other Revenue was lower than budget by \$3.0 million mostly due to frontline staffing levels which has impacted activity levels in some prison industry areas in particular joinery, release to work, concrete and building refurnishment. In addition, a decision to provide prisoners with free access to phone calls and TV contact has reduced rental and revenue associated with our distribution/canteen service.

Personnel costs were lower than budget by \$6.7 million mainly due to the timing of receiving funding for custodial Collective Employment Agreement outcomes (reflected in Supplementary Estimates) offset by net salary and wage savings. Net savings resulting from vacancies (a result of ongoing recruitment and retention challenges under current labour market conditions) being offset by frontline overtime and related surge costs.

Operating costs were higher than budget by \$84.9 million mainly due to a combination of inflationary cost increases, including offender-related expenses, facilities maintenance and systems costs, and other expenses which were not initially included in the budget, such as the costs associated with SaaS projects and demolition expenses.

Depreciation was lower than budget by \$56.1 million mainly due to the delay of the completion of the Waikeria Development Project which was partially transferred to the capital costs fund.

Capital charge was higher than budget by \$11.1 million due to the unrealised gain in fair value of derivative financial instruments.

Finance costs were lower than budget by \$46.9 million mainly due to the delay in the Waikeria Development Project which was transferred to the capital costs fund.

Due to the nature of the cost, unrealised gains (or losses) in fair value of derivative financial instruments (\$50.6 million gain for 2022/23) is not budgeted. The gain represents an increase, as at balance sheet date, of forward interest rates across interest rate swaps' maturity profiles. Further information on Corrections derivative financial instruments is contained in Notes 15 and 20.

#### **Statement of Financial Position**

Cash and cash equivalents were higher than budget by \$59.6 million due to the timing of cash drawdowns.

Prepayments were higher than budget by \$6.7 million largely due to the prepayment for an insurance fee.

Debtors and other receivables were higher than budget by \$163.1 million mainly due to an increase in Debtor Crown, reflecting increase in Crown revenue and lower than expected cash drawdowns.

Property, plant, and equipment was \$329.9 million higher than budget mainly due the revaluation of buildings.

Intangible assets were \$126.5 million lower than budget mainly due to change in accounting policy for Software-as-a-Service.

Creditors and other payables were higher than budget by \$48.1 million mainly due to the timing in receiving invoices from vendors for goods or services already received.

Employee entitlements were higher than budget by \$58.6 million mainly due to annual leave owed to employees which were yet been taken.

#### Note 22: Explanation of significant variances against budget (continued)

Other financial liabilities as disclosed in Note 15 were lower than budget by \$425.5 million. This relates to Corrections' service concession arrangement liabilities and the interest rate swap derivatives entered into with the NZDMO. The decrease is mainly due to delays in construction of the new facility at Waikeria Prison under a PPP arrangement, and unrealised fair value gains on the interest rate swap derivatives.

General funds were higher than budget by \$278.9 million. This was mainly due to unrealised fair value movements on the interest rate swap derivatives, and higher capital injections from the Crown for the Waikeria Development Project.

Reserves were higher than budget by \$472.9 million due to the recognition of revaluation gains on Corrections' land and building assets this financial year.

#### Note 23: Change in accounting policy

There have been no changes to accounting policies in financial year 2022/23.

#### Note 24: Post-balance date event

There is no known event at this date.

## Non-departmental statements and schedules

#### Schedule of Non-departmental expenses

For the year ended 30 June 2023

2022		2023	2023	2023	2024
Actual		Actual	Budget	Supp. Estimates	Forecast
			(unaudited)	(unaudited)	(unaudited)
\$000		\$000	\$000	\$000	\$000
	EXPENSES				
215	Waikeria Corrections and Treatment Facility	16	-	735	50
44	GST input expense	3	-	3	14
259	Total non-departmental operating expenses	19	-	738	64

#### Schedule of Non-departmental assets

As at 30 June 2023

2022 Actual		Note	2023 Actual	2023 Budget	2023 Supp. Estimates	2024 Forecas
\$000			\$000	(unaudited) \$000	(unaudited) \$000	unaudited) \$000
	CURRENT ASSETS					
5,647	Cash and cash equivalents	3	50	11,015	166	152
5,647	Total current assets		50	11,015	166	152
5,647	Total non-departmental assets	5	50	11,015	166	15

#### Schedule of Non-departmental liabilities

As at 30 June 2023

2022			2023	2023	2023	2024
ctual		Note	Actual	Budget	Supp. Estimates	Forecast
				(unaudited)	(unaudited)	(unaudited)
\$000			\$000	\$000	\$000	\$000
	Current liabilities					
5	Creditors and other payables	2	2	84	-	-
5	Total current liabilities		2	84	-	-
5	Total non-departmental liabilitie	<b>!</b> S	2	84	-	-

#### Schedule of Non-departmental commitments

#### As at 30 June 2023

Corrections, on behalf of the Crown, has no non-departmental commitments as at 30 June 2023 (2022: Nil).

#### Schedule of Non-departmental contingent liabilities and contingent assets

#### As at 30 June 2023

#### **Contingent liabilities**

Corrections, on behalf of the Crown, has no non-departmental contingent liabilities as at 30 June 2023 (2022: Nil).

#### **Contingent assets**

Corrections, on behalf of the Crown, has no non-departmental contingent assets as at 30 June 2023 (2022: Nil).

## Notes to the non-departmental schedules

#### For the year ended 30 June 2023

#### 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 dollar) and are all values are rounded to the nearest thousand dollars (\$000).

#### New or amended standards adopted

#### PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Corrections has adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard because the requirements are similar to those contained in PBE IFRS 9.

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

Standards and amendments that have been issued but are not yet effective and that have not been early adopted and that are relevant to Corrections are:

#### 2022 Omnibus Amendment to PBE Standards

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- » PBE IPSAS 16 Investment Property: The amendments clarify that fair value measurement of self-constructed investment property could begin before the construction is completed.
- » PBE IPSAS 17 Property, Plant and Equipment: The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- » PBE IPSAS 30 Financial Instruments: Disclosures: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.
- » PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The changes are for financial statements covering periods beginning on or after 1 January 2023.

#### Note 1: Statement of accounting policies (continued)

#### Significant accounting policies

#### Goods and Services Tax (GST)

All items in the non-departmental schedules are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation into the FSG.

#### **Budget figures**

The 2023 budget figures are for the year ended 30 June 2023, 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 2023.

#### 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 Ministry.

#### **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 nondepartmental 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.

#### Changes in accounting policy

There has been no change in accounting policy since the date of the last audited financial statements.

#### Note 2: Creditors and other payables

2022		2023
Actual		Actua
\$000		\$000
	EXCHANGE TRANSACTIONS	
5	Accrued expenses	2
5	Total creditors and other payables	2

#### Note 3: Financial instruments

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

2022		2023
Actual		Actual
\$000		\$000
	FINANCIAL ASSETS	
	Financial assets measured at amortised cost	
5,647	Cash and cash equivalents	50
5,647	Total financial assets	50
	FINANCIAL LIABILITIES	
	Financial liabilities measured at amortised cost	
5	Creditors and other payables	2
5	Total financial liabilities	2

#### Fair value

The fair value of financial assets and liabilities is equivalent to the carrying amount disclosed in the schedule of non-departmental liabilities.

#### Market risk

#### Other price, currency and interest rate risks

Corrections, on behalf of the Crown, has no exposure to interest rate risk, other price risk or currency risk on its financial instruments, as there were no foreign currency balances at balance date, and Corrections, on behalf of the Crown, does not hold any interest-bearing financial instruments or financial instruments subject to other price risk.

#### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. In relation to these funds managed by Corrections on behalf of the Crown, credit risk arises solely on the cash and cash equivalents balance deposited with banks.

It is a requirement of the Crown that funds must be deposited with Westpac New Zealand Limited (Westpac Bank), a registered bank in New Zealand.

The maximum credit exposure for the cash and cash equivalents class of financial instruments is represented by the total carrying amount. There is no collateral held as security against these financial instruments. All credit risk exposure is to Westpac Bank.

#### Credit quality of financial assets

Treasury has a AAA Standard and Poor's credit rating (2022: AAA Standard and Poor's) and is also subject to the Reserve Bank of New Zealand - Te Pūtea Matua 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.

#### Credit risk (continued)

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

2022		2023
Actual		Actual
\$000		\$000
C	CASH AND CASH EQUIVALENTS	
5,647 A	AAA	50

#### 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.

2022			2023
Actual	Note		Actual
\$000			\$000
	Creditors and other payables		
5	Less than six months	2	2
5	Total contractual cash flows		2

#### 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 expenses

Waikeria Corrections and Treatment Facility expenses were lower than budget by \$0.72 million due to the delay in completion of roading works impacted by the delay in construction of the Public Private Partnership project.

#### Schedule of non-departmental assets and liabilities

Cash and cash equivalents were lower than budget by \$10.97 million due to the delay in completion of roading works impacted by the project. In addition, Corrections returned \$5.6 million to Treasury in June 2023 as the funds were not immediately required.

Creditors and other payables were lower than budget by \$0.082 million due to the delay in completion of roading works.

## Statement of budgeted and actual expenses and capital expenditure incurred against appropriations

For the year ended 30 June 2023

2022		2023	2023	2023	2023	2024
Expenditure after remeasure- ments		Expenditure before remeasure- ments	Remeasure- ments	Expenditure after remeasure- ments	Supp. Estimates	Forecast
					(unaudited)	(unaudited)
\$000		\$000	\$000		\$000	\$000
	VOTE: CORRECTIONS Departmental output expenditure					
1,149,317	Prison-based Custodial Services	1,249,667	(602)	1,249,065	1,298,144	1,371,210
295,986	Sentences and Orders Served in the Community	336,967	-	336,967	301,411	289,438
91,672	Information and Administrative Services to the Judiciary and New Zealand Parole Board	97,876	-	97,876	92,853	88,789
1,536,975	Total public safety is improved MCA	1,684,510	(602)	1,683,908	1,692,408	1,749,437
322,229	Reoffending is reduced	346,568	-	346,568	371,771	394,770
3,015	Policy Advice	3,615	-	3,615	4,486	7,956
3,339	Ministerial Services	3,629	-	3,629	3,805	2,305
6,354	Total policy advice and Ministerial Services MCA	7,244	-	7,244	8,291	10,261
1,865,558	Total departmental output expenditure	2,038,322	(602)	2,037,720	2,072,470	2,154,468
	Departmental other expenditure					
-	Transfer of Three Water assets	-	-	-	6,200	-
-	Total departmental other expenditure	-	-	-	6,200	
	Department capital expenditure					
315,055	Corrections Capital Expenditure - Permanent Legislative Authority	222,191	-	222,191	338,316	432,400
315,055	Total departmental capital expenditure	222,191	-	222,191	338,316	432,400
	Non-departmental other expenses					
215	Waikeria Corrections and Treatment Facility	16	-	16	735	50
215	Total Non-departmental other expenses	16	-	16	735	50

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

#### Changes in appropriation structure

There have been no changes to appropriation structure in 2023.

#### Statement of capital injections

#### For the year ended 30 June 2023

2022	2023	2023	2023	2024
Actual	Actual	Budget	Supp. Estimates	Forecast
\$000	\$000	(unaudited) \$000	(unaudited) \$000	(unaudited) \$000
VOTE: CORRECTIONS				
72,477 Capital Injections	201,576	103,475	278,156	85,767

#### Statement of capital injections without, or in excess of, authority

#### For the year ended 30 June 2023

Corrections has not received any capital injections during the year without, or in excess of, authority (2022: Nil).

## Statement of expenses and capital expenditure incurred without, or in excess of, authority

#### For the year ended 30 June 2023

2022		2023	2023	2023	2024
Actual		Actual	Budget	Supp. Estimates	Forecast
			(unaudited)	(unaudited)	(unaudited)
\$000		\$000	\$000	\$000	\$000
	VOTE: CORRECTIONS				
215	Waikeria Corrections and Treatment Facility	1	-	735	50

#### Waikeria Corrections and Treatment Facility

In 2022/23, the Department of Corrections incurred maintenance cost of \$649 prior to authorisation being received in November 2022.

Validation of the unappropriated expenditure by Parliament under section 26C of the Public Finance Act 1989 will be sought.

# Appendices

## **Appendix one: Rehabilitation Quotient**

Corrections uses the Rehabilitation Quotient (RQ) to measure the impact that our interventions have on reoffending. Reoffending is measured in terms of reimprisonment rates and rates of resentencing 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 scores assigned to each intervention represent percentage point reductions in reimprisonment or resentencing. For example, if the resentencing rate of a specific intervention's participants was 30% and the equivalent rate for non-participants was 35%, the RQ would be -5.0%. A negative score means the intervention successfully reduced the rate at which participants were resentenced for new offences during the follow-up period compared to non-participants.

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 2022/23 RQ measures the impact of interventions that were completed in the three years up to 31 March 2022. The follow-up period extends to 31 March 2023. Both the delivery timeframe and the follow-up period include years in which COVID-19 lockdowns were in place and both programme delivery and reoffending measures have been impacted. The results do not reflect more recent improvements in intervention design and delivery made since March 2022.

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

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

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. Results which do not reach the level of statistical significance do not necessarily indicate that programmes are ineffective. However, it does mean that a statistical difference in reoffending levels between the treatment and control groups has not been observed. Caution should be exercised when using these results in isolation from other sources of information on intervention effectiveness.

#### **Prison-based interventions**

Interventions	Reimprisonment	Resentenced
Addictions programmes		
Intensive alcohol and other drugs treatment programme (8 weeks)	3.2	0.9
Drug treatment programme (6-month)	-1.8	-1.9
Drug treatment programme (12-month)	1.4	-3.7
Rehabilitation programmes		
Medium Intensity Rehabilitation Programme	-1.2	-2.4
Mauri Tū Pae	0.9	-0.7
Short Rehabilitation Programme - Men	-1.8	-3.4
Short Rehabilitation Programme - Women	-0.9	-4.7
Psychology programmes		
Special Treatment Unit - Violent Offending	-9.4	-13.0

#### **Community-based interventions**

Interventions	Imprisonment	Resentenced
Addictions programmes		
Community Residential AOD Treatment Programme	-0.4	-1.6
Rehabilitation programmes		
Medium Intensity Rehabilitation Programme	-4.8	-1.1
Non-Violence Programmes for Male Perpetrators of Family Violence	-0.8	-1.2
Non-Violence Programmes for Female Perpetrators of Family Violence	-1.2	-1.4
Short Rehabilitation Programme - Men	-3.4	-2.2
Short Rehabilitation Programme – Women	-1.3	-6.0

In the table above, the shading indicates that the difference between the treated and untreated groups was statistically significant at the 95% level.

RQ analysis for Kōwhiritanga and Drug Treatment Programme (3-month programme) were also attempted, however owing to small sample sizes, the models were unable to be sufficiently balanced to enable the RQ analysis to be performed.

All programmes are calculated over three years.

## **Appendix two: Recidivism Indices**

The Recidivism Indices (RI) is the percentage of people in our management in any given cohort who are reconvicted within a set period of time (the follow-up period), and who receive either a prison sentence (reimprisoned) or any Corrections-administered sentence (resentenced).

RI rates relate to recent cohorts of people released from prison, or who started a community sentence, during a full 12-month period ending 15 months ago. While each individual has a 12- and 24-month long follow-up period set, during which any new offences are counted, three additional months are allowed after the follow-up period to allow for capture of conviction and sentencing for new offences to be recorded by the courts.

Due to changes made to how the RI is calculated in 2019/20, these figures are only comparable to the last three years.

#### Recidivism Indices - 12-month follow-up period (percentages) for 2021/22

	Release	d from prison		Beginning o based s	
Category	Group	Reimprisoned	Resentenced	Imprisoned	Resentenced
All (2021/22)	All	21.6	32.7	5.0	17.5
Gender	Female	13.3	25.6	2.2	13.1
	Male	22.4	33.4	5.8	18.6
Ethnicity	Māori	23.9	36.2	7.0	21.5
	European	19.9	29.8	5.0	17.5
	Pasifika	16.4	24.7	3.9	13.5
	Other	9.2	15.2	3.1	10.2
Age (at the time the	Under 20 years	31.3	45.8	3.8	22.9
follow-up period began)	20 - 24 years	26.3	39.5	4.1	19.2
began	25 - 29 years	24.3	37.5	6.1	19.7
	30 - 39 years	24.3	36.7	6.0	19.0
	40 years and over	15.4	23.3	3.9	13.2
Gang status	Gang affiliated	26.9	38.9	12.8	29.5
	Not gang affiliated	18.4	29.1	3.8	15.5
Offence (most	Abduction, harassment	25.6	40.1	7.8	21.6
serious offence for original sentence; ANZSOC <sup>64</sup> system)	Acts intended to cause	21.8	32.1	4.4	16.7
	injury				
	Dangerous or negligent acts	11.3	26.4	1.5	14.8
	Fraud, deception	17.5	31.0	5.6	16.9
	Homicide	8.7	11.1	2.3	7.0
	Illicit drug offences	6.4	12.7	3.1	11.1
	Miscellaneous offences	16.7	16.7	1.9	13.5
	Offences against justice	34.5	49.1	6.7	20.5
	Prohibited and regulated weapons	28.7	45.6	6.7	17.1
	Property damage	21.4	32.1	6.8	23.4
	Public order	26.0	38.4	8.9	22.5
	Robbery, extortion	14.4	20.6	6.6	15.8
	Sexual assault	5.6	9.3	2.6	5.0
	Theft	28.5	45.8	9.8	26.6
	Traffic	19.4	33.6	2.4	14.8
	Unlawful entry with intent/burglary	27.0	39.5	11.3	24.3
Community	Community work	-	-	4.5	18.0
sentence	Supervision	-	-	3.1	16.7
	Intensive supervision	-	-	9.0	21.9
	Community detention	-	-	3.1	14.8
	Home detention	-	-	7.5	13.8
	Returning offender order	-	-	1.6	6.6

#### Recidivism Indices - 12-month follow-up period (percentages) for 2021/22

	Release	d from prison		Beginning community- based sentence		
Category	Group	Reimprisoned	Resentenced	Imprisoned	Resentenced	
Prisoner security	Maximum	33.3	46.7	-	-	
classification (at release)	High	33.8	45.5	-	-	
release)	Low medium	24.1	36.9	-	-	
	Low	19.6	31.0	-	-	
	Minimum	6.5	13.0	-	-	
Release type	Parole	8.2	13.5	-	-	
	Post-release conditions	28.0	42.4	-	-	
Sentence length	6 months or less	33.6	49.7	4.5	15.4	
	> 6 months to 1 yr	29.7	44.7	4.7	16.6	
	>1 to 2yrs	24.8	37.1	10.0	24.0	
	>2 to 3yrs	10.9	18.2	-	-	
	>3 to 5yrs	9.2	14.6	-	-	
	More than 5yrs	4.8	8.0	-	-	

#### Recidivism Indices - 24-month follow-up period (percentages) for 2020/21

	Released from prison			Beginning community- based sentence	
Category	Group	Reimprisoned	Resentenced	Imprisoned	Resentenced
All (2020/21)	All	35.2	54.7	8.9	32.1
Gender	Female	24.3	47.6	4.2	25.7
	Male	36.3	55.4	10.1	33.9
Ethnicity	Māori	39.4	59.4	12.9	39.5
	European	30.6	50.0	7.8	31.6
	Pasifika	29.0	48.4	7.6	28.0
	Other	18.1	29.2	5.2	23.8
Age (at the time the	Under 20 years	45.7	74.1	8.2	39.2
follow-up period	20-24 years	40.7	63.6	8.2	35.8
began)	25-29 years	41.0	62.5	9.8	35.8
	30-39 years	37.8	57.7	10.8	34.9
	40 years and over	25.5	41.3	6.5	23.6
Gang status	Gang affiliated	46.2	66.3	24.9	53.4
	Not gang affiliated	28.7	47.8	6.5	29.0
Offence (most	Abduction, harassment	34.1	52.3	10.1	36.5
serious offence for	Acts intended to cause	33.1	53.3	8.1	29.4
original sentence; ANZSOC <sup>65</sup> system)	injury				
	Dangerous or negligent acts	29.6	46.5	4.3	27.1
	Fraud, deception	31.4	51.8	9.0	29.6
	Homicide	11.3	18.9	0.0	10.3
	Illicit drug offences	15.1	30.8	7.0	24.0
	Miscellaneous offences	28.6	28.6	5.4	20.3
	Offences against justice	45.7	64.7	12.5	36.2
	Prohibited and regulated weapons	40.2	66.4	12.7	35.6
	Property damage	43.9	66.4	14.1	43.9
	Public order	50.6	58.0	12.0	34.9
	Robbery, extortion	29.3	46.0	6.7	27.9
	Sexual assault	10.3	17.1	2.3	7.8
	Theft	48.7	72.9	16.4	48.7
	Traffic	35.5	61.1	3.7	26.5
	Unlawful entry with intent/burglary	43.4	66.7	16.1	44.7
Community sentence	Community work	-	-	7.7	32.0
	Supervision	-	-	6.1	29.8
	Intensive supervision	-	-	14.6	38.6
	Community detention	_	-	6.1	28.0
	Home detention	-	-	13.1	31.5
	Returning offender order	-	_	6.8	19.4

#### Recidivism Indices - 24-month follow-up period (percentages) for 2020/21

	Released from prison				Beginning community- based sentence	
Category	Group	Reimprisoned	Resentenced	Imprisoned	Resentenced	
Prisoner security	Maximum	46.7	70.0	-	-	
classification (at release)	High	50.1	71.6	-	-	
Teledse)	Low medium	43.6	63.6	-	-	
	Low	32.7	53.8	-	-	
	Minimum	13.9	27.5	-	-	
Release type	Parole	18.0	31.2	-	-	
	Post-release conditions	42.0	64.5	-	-	
Sentence length	6 months or less	45.1	67.5	8.8	31.0	
	>6 months to 1 yr	45.2	66.8	8.2	30.7	
	>1 to 2yrs	38.1	60.4	15.6	40.6	
	>2 to 3yrs	20.8	38.4	-	-	
	>3 to 5yrs	18.9	32.0	-	-	
	More than 5yrs	13.6	21.6	-	-	

## **Appendix three: Security contracts**

## A report on the operation of every security contract that is in force for the whole, or any part, of the year, including:

- » a summary of reports forwarded to the Chief Executive under section 171(2) or 171(3) of the 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 modular training
- » Mental Health First Aid
- » Hazard reporting
- » Assessor training
- » Health and Safety toolbox talks.

## The number and nature of complaints made by persons in relation to the carrying out, by security officers employed by the contractor, of escort duties in respect of those persons, and how those complaints were resolved:

There were four complaints (2021/22: Nil) made by persons in relation to the carrying out, by security officers employed by the contractor, of escort duties in respect of those persons between July 2022 and June 2023.

- » Two separate complaints made by members of the public alleging speeding and dangerous driving by the security officers. The complainants were contacted and offered an apology. The security officers involved undertook responsive training.
- » One complaint relating to inappropriate conduct and comments made by security officers while undertaking supervision of an individual at court. An investigation was completed, and an apology issued to the complainant. The security officers involved underwent a disciplinary process.
- » One complaint alleging physical assault by a security officer while at court. An investigation was completed where the majority of the allegations were found to be in favour of the complainant. An apology was issued, and the security officer involved underwent a disciplinary process.

## 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 (2021/22: Nil) involving violence by or against prisoners (excluding those outlined elsewhere) while in the custody of security officers employed by the contractor.

## The number and nature of any incidents involving violence against security officers employed by the contractor while carrying out escort duties or courtroom custodial duties:

There were three reported incidents (2021/22: 2) involving violence by prisoners against a security officer employed by the contractor while carrying out escort duties or courtroom custodial duties.

- » One incident where a prisoner kicked a security officer in the leg after refusing transport back to prison.
- » One incident where a prisoner attempted to spit at a security officer and then spat in another security officer's face.
- » One incident where a prisoner punched a security officer in the jaw.

## 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 was one reported incident (2021/22: 1) involving self-inflicted injuries by a prisoner while in the custody of security officers employed by the contractor:

» Attempt at self-harm during escort requiring first aid from security officers.

### The compliance, by security officers employed by the contractor, with the requirements of sections 83, 84, 85, 87 and 88 of the Corrections Act 2004:

A total of four incidents were recorded in this area (2021/22: 7). 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 29,117 searches (2021/22: 16,545) were recorded by security officers employed by the contractor during the reporting year. There were three strip searches recorded.

## The number and nature of any disciplinary actions taken against security officers employed by the contractor, and the reasons for, and outcomes of, those actions, including any penalties imposed:

Disciplinary action was taken against 11 security officers employed by the contractor (2021/22: 10).

- » Eight instances of attendance issues and failure to turn up for rostered shifts. Disciplinary action was taken for each of the security officers, including one termination due to abandonment of employment.
- » Disciplinary action taken against a security officer for failure to wear a seatbelt while driving.
- » Disciplinary action taken for the two security officers involved in the escort whereby three prisoners escaped from the prisoner escort vehicle.
- » Disciplinary action taken as a result of the complaint noted above relating to alleged physical assault by a security officer against a prisoner.

## Appendix four: Auckland South Corrections Facility

## A report on the operation of every contract prison that was in operation for the whole, or any part, of the year, including:

- » a summary of reports forwarded to the Chief Executive under sections 199D(1A), 199D(2) and 199D(3) of the Act during the year
- » a summary of the reports made to the Chief Executive under section 199E(3)(b) during the year
- » a summary of any action taken, during the year, in relation to the management of contract prisons as a result of any matters raised in any reports provided to the Chief Executive.

On 10 September 2012, Corrections engaged in a Public Private Partnership with SecureFuture Wiri Limited to design, build, finance, operate, and maintain Auckland South Corrections Facility (ASCF). SecureFuture subcontracted the operation of the prison to Serco.

ASCF is Aotearoa New Zealand's only privately managed prison and has been operating since May 2015. It is located at Wiri in Auckland and provides 960 beds for men. The prison can accommodate security classifications from minimum security to high security.

#### The contract

The contract between SecureFuture and Corrections includes a range of key performance indicators (KPIs) which support the safe, secure, and effective operation of the prison, as well as the rehabilitation and reintegration of the people being held there. It takes an outcomes-based approach by rewarding any reductions in reoffending assessed as being stronger than the reductions delivered by publicly managed prisons.

The contract's KPIs measure both the custodial performance and the rehabilitation performance of ASCF. They form the basis of the prison's performance framework which includes financial and contractual mechanisms that are utilised to ensure performance.

Corrections receives monthly, quarterly, and annual reports on performance at ASCF. These reports include custodial and rehabilitation/reintegration information. In addition, the Prison Director at ASCF is a member of Corrections' Northern Region Management Team and meets regularly with the Northern Regional Commissioner.

#### **Prison monitors**

Corrections has a team of site-based monitors who oversee operations at ASCF and ensure it is meeting the expected standards. Their monitoring role includes inspections of prison operations against contractual and legislative requirements.

Special monitors are appointed by Corrections, on an as-needed basis, to investigate specific risks or performance concerns.

#### **Prison inspectors**

Prison inspectors are empowered under the Corrections Act 2004 and the Corrections Regulations 2005 to undertake prison inspections, to investigate complaints, and to report on the treatment of people in the corrections system. This includes ASCF.

#### Contractual deductions for 2022/23

Schedule 16 – Performance regime KPI breach	Number of KPI breaches
2.02 - Serious assault – prisoner to prisoner	4
2.03 - Serious assault – prisoner to staff	2
2.04 - Self-harm – threat to life	1
2.08 - Wrongful detention of a prisoner	1
2.12 - Failure to comply with the terms of temporary release or temporary removal	2
2.22 - Failure to investigate or self-report	1

During the 2022/23 year, ASCF received financial deductions amounting to \$319,152. A breakdown of the breaches is shown below. There are no breaches during this period which are in dispute.

- » Category 1 KPIs (Chargeable events) There were zero chargeable events in 2022/23.
- » Category 2 KPIs (Key operational incidents) There were 11 Category 2 KPI breaches in 2022/23, resulting in a financial deduction of \$319,152. These KPI breaches related to:
- » Category 3 KPIs (Custodial performance operational incidents) These KPIs are measured quarterly as green (favourable), amber, or red. In 2022/23, 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 2022/23, the rehabilitation and reintegration performance trend report tracked as green throughout all four quarters resulting in no financial deduction being incurred.

#### Legislative reporting

The training provided to staff members of the prison (including the amount and quality of that training), and the level of training achieved by those staff members:

Training provided in 2022/23	Type of training	Total number of staff attending training	Quality of training	Contact hours per staff member
Control and Restraint/ Oleoresin Capsicum Spray (Combined annually for refreshers of six hours each)	Compliance	62	Delivered by certified Control and Restraint instructors, who go to yearly Tactical Instructor Revalidation courses, run by Corrections staff	6
First Aid	Compliance	92	Delivered by First Aid NZ. Refreshes First Aid New Zealand Qualifications Authority (NZQA) <b>Units 6401, 6402 &amp;</b> 6400	6
Hostage Awareness/ First Responding Officer	Compliance	63	Led by Serco internally. Subject matter experts (SMEs) may deliver the training, or train other experienced members of staff to on-deliver that training to staff	2.5
Suicide Prevention and Awareness	Compliance	81	Led by Serco internally. SMEs may deliver the training, or train other experienced members of staff to on-deliver that training to staff	2.5
Fire	Compliance	54	Delivered by Safety 'n Action. Refreshes NZQA Units 3271 and 4647	4
Anti-Bullying, Harassment, and Discrimination	Serco Online Learning Management System (LMS)	1152	Serco Online LMS	0.5
Modern Slavery - iExpress	Serco Online LMS	99	Serco Online LMS	0.2
Bio-hazard Spill Kit	Serco Online LMS	244	Serco Online LMS	0.2
Health Issues and Infection Control	Serco Online LMS	202	Serco Online LMS	0.2
Unknown Hazardous Substances	Serco Online LMS	186	Serco Online LMS	0.2
Fire Awareness	Serco Online LMS	193	Serco Online LMS	0.2
Environmental Awareness at Serco	Serco Online LMS	184	Serco Online LMS	0.2

Training provided in 2022/23	Type of training	Total number of staff attending training	Quality of training	Contact hours per staff member
Facility Security	Serco Online LMS	210	Serco Online LMS	0.2
Fatigue Management Awareness	Serco Online LMS	144	Serco Online LMS	0.5
Hot Works Awareness	Serco Online LMS	42	Serco Online LMS	0.5
Working at Heights Awareness	Serco Online LMS	32	Serco Online LMS	0.5
Electrical Safety Awareness	Serco Online LMS	240	Serco Online LMS	0.2
Control and Restraint	Serco Online LMS	95	Serco Online LMS	0.5
Managing Mental Health Risks at Work	Serco Online LMS	54	Serco Online LMS	0.2
Manual Tasks Awareness	Serco Online LMS	241	Serco Online LMS	0.5
Standard Operating Procedures - Introduction	Serco Online LMS	243	Serco Online LMS	0.2
Privacy Act 2020 Video	Serco Online LMS	64	Serco Online LMS	0.5
Phishing Awareness - Don't take the bait!	Serco Online LMS	134	Serco Online LMS	0.5
Suicide Prevention and Awareness	Serco Online LMS	104	Serco Online LMS	0.5
Remote and Isolated Work Awareness	Serco Online LMS	238	Serco Online LMS	0.2
Updating Personal Details in SAP	Serco Online LMS	58	Serco Online LMS	0.2
Vehicle and Driving Awareness	Serco Online LMS	239	Serco Online LMS	0.2
Violence and Aggression Awareness	Serco Online LMS	231	Serco Online LMS	0.2
Working with transgender prisoners – Serco Asia- Pacific	Serco Online LMS	91	Serco Online LMS	0.2

## The number and nature of complaints made by prisoners at the prison, and how those complaints were resolved

#### The following is a description of the complaint resolution process at ASCF:

- » A staff member will attempt to resolve the complaint at the lowest level if possible. This resolution does not include a complaint form if the complaint is straight-forward.
- » If resolution at the lowest level is not possible, or the person wishes to record the complaint, they will complete a PC.01 Formal Complaint form and hand it to a staff member.
- » A Supervisor or Operations Manager will meet with the person who made the complaint and discuss their issue(s).
- » A plan will be made of what action(s) should be taken (if any), and once they have taken place then the person is informed of the outcome.
- » When a resolution is achieved, the complaint is closed.
- » If a resolution is not achieved, the person can refer their complaint to the Office of the Inspectorate Te Tari Tirohia or other relevant/appropriate monitoring agencies, for example the Office of the Ombudsman – Kaitiaki Mana Tangata.
- » A person may complete any number of complaint forms. They may contact the previously mentioned external agencies at any point.

#### A total of 1,446 complaints were made by people in ASCF relating to the following broad categories:

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

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

#### A total of 214 violent incidents were recorded under the following categories:

Violence between prisoners:

- » 117 incidents of fighting
- » 32 incidents of assault no injury
- » 25 incidents of assault non-serious
- » 4 incidents of assault serious (including alleged sexual assaults).

Violence against staff/others:

- » 23 incidents of assault no injury
- » 8 incidents of assault non-serious
- » 5 incidents of assault serious (including alleged sexual assaults).

The number and nature of any incidents in the prison involving self-inflicted injuries to prisoners of the prison

There were 14 reported incidents involving self-inflicted injuries by people in prison. Thirteen incidents were categorised as self-harm no threat to life, and one was categorized as self-harm threat to life.

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

A total of 10,895 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 2023.

#### Programmes and activities attended are as follows:



#### The programmes provided for prisoners at the prison (continued)

Children and Family Activities Planning Group	Church Choir	Community Engagement
Community Reintegration Services Assessment	Creative Writing	Drug Treatment Programme – Aftercare Group
Dynamics of Whānaungatanga (relationship, kinship)	Employability Passport	English as a Second Language Support
Family Group Conference	Field	Final Pathway Assessment – Offender Plan
Financial Literacy	Graduation	Grounds Maintenance
Gym	He Papa Tikanga (Your Cultural Foundation)	Health Referral
Healthier Futures	Holy Communion	Individual Assessment
Individual Treatment	Individual Treatment – Medium	Individual Treatment – High
Initial Pathway Assessment Offender – Plan	Kaiwhakamana (Kaumātua who have access to prisons)	Kapa haka
Kick for the Seagulls (uses sporting language to teach	Learners Driver's License	Literacy Support
prisoners reading, writing, and maths)	Living The Change	Mahi Toa – Elective 3 – Getting a job
Mahi Toa – Certificate in Employment Skills	Medium Intensity Rehabilitation Programme (MIRP)	Mentoring Programme
Motivational Interviewing	Multi-Purpose Court	Music

National Certificates of Educational Achievement (NCEA)	NZ Breakers	Papa Kupu (Adult Learning Skills)
Parole Interview Assessment	PE Activity (Whare Ora)	Performing Arts
Positive Steps	Potaetanga/Graduations	Pōwhiri/Whakatau
Prisoner Games/Olympics	Pro-Social Support Connection	Pūwhakamua wānanga
Radical Fitness	Rehabilitation Yoga	Reintegration Services Contact
Religious or Cultural activity	Review Pathway Assessment – Offender Plan	Short Rehabilitation Programme
Short Violence Prevention Programme	Siva Ma Pese (Samoa Dancing & Singing)	Special Visit
Sports Academy	Sunday Service	Talk to my Case Manager
Te Reo Class	Tonga Language/Culture	Tuākana/Teina (Relationships between an older person (tuākana)
Vasega Samoa (Samoa language class)	Visual Arts 1	and a younger person (teina))
Whānau Awhi (Family Support)	Whānau Day	Whānau Day Planning Group
Whānau Hui	Whānau Liaison Meeting	Where Are You At? – High
Where Are You Going? – High	Where Are You Going? – Medium	Young at heart

#### The programmes provided for prisoners at the prison (continued)

#### The employment provided for prisoners by, or at, the prison



## The skills gained by prisoners as a result of employment or education provided by or at the prison

Skills gained in 2022/23	Number of prisoners
NZ Certificate in Business Foundation Skills (Level 1/2) (Open Polytechnic)	2
NZ Certificate in Creativity (Level 4)	6
NZ Diploma in Creativity (Level 5)	2
National Certificates of Educational Achievement (NCEA) (Level 1)	3
NCEA (Level 2)	3
NCEA (Level 3)	3
Trade Start (Level 2) (MIT)	32
Trade Start (Level 3) (MIT)	28
Kick for the Seagulls Level 2 (Universal College of Learning (UCOL)/Lowie Foundation)	24
NZ Certificate in Baking Level 3 (UCOL)	2
Intensive Literacy and Numeracy (MIT)	22
Take2 Computing and Programming	2
Budgeting and Financial Literacy	53
Beekeeping	3

## The compliance, by staff members of the prison, with the requirements of sections 83, 84, 85, 87, and 88 of the Corrections Act 2004

Section of the Corrections Act 2004	Number of occurrences
83 – Use of force	93
Control and restraint*	1
Non-threatening physical contact	9
Spontaneous use of force	83
84 – Provoking prisoners	0
85 – Use of non-lethal weapons	7
Pepper spray drawn, not used	1
Pepper spray*	6
Pepper spray planned use*	0
87 – Restraint of prisoners	7
Handcuffs – other than on escort*	7
88 – Reporting on use of force, weapons, and mechanical restraints	All incidents with a * were reported to the incident line. All incidents were notified via the Integrated Offender Management System.
TOTAL	107

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

## The exercise, by officers of the prison, of the powers conferred by sections 98 to 101 of the Corrections Act 2004

There was a total of 4,314 searches conducted in 2022/23 [2021/22: 2,468].

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

## There were 1,152 misconducts given to people in prison in 2022/23 [2021/22: 848] due to the following reasons:

- » Disobeys lawful order
- » Deliberately mismanages work
- » Behaves in an offensive, threatening, abusive, or intimidating manner
- » Communicates with a person in an unauthorised manner
- » Leaves, or is absent from, cell or place of work
- » Unauthorised items in possession
- » Assaults or fights with another person
- » Obstructs any officer in the execution of his or her duty
- » Combines with other prisoners for a purpose that is likely to endanger the security or good order of the prison
- » Tattoos another prisoner
- » Receives a tattoo with his or her consent
- » Uses any drug without the authority of a medical officer
- » Smokes tobacco or any other substance
- » Refuses to comply with requirement of submitting to a drug or alcohol test
- » Fails to comply with requirement (alcohol or drug testing)
- » Tampers with drug or alcohol samples.

## The number and nature of any disciplinary actions taken against staff members of the prison

#### A total of 13 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 355 tests sampled [2021/22: 127], 11 (3.1%) returned a positive result [2021/22: 11 [8.7%]].

#### Any matters relating to the financial management of the prison, that the Chief Executive from time to time determines, which may include the provision of financial forecasts and audited accounts

Nil.

Any other matters in respect of which the Chief Executive reasonably considers that information is necessary to enable the Chief Executive to carry out his or her responsibilities under this Act or any other enactment Nit.

## Report by the Minister of Corrections on Non-Departmental Appropriations

#### Appropriation: Waikeria Corrections and Treatment Facility

The table below outlines how Corrections performed against the relevant measure used to assess performance in the Waikeria Corrections and Treatment Facility appropriation.

	2022	2023
Assessment of performance	Actual	Actua
Completion of major infrastructure improvements required to enable the development of the Waikeria Prison Development including the Waikeria Mental Health and Addiction Service Facility, and the continued implementation of designation conditions	Corrections, on behalf of the Crown, has continued to work with the Waipa District Council to complete the outstanding works relating to the upgrade of the wastewater network. The outstanding work is now scheduled for completion in 2022/23. An in-principle expense transfer has been pre-approved to transfer funding to 2023. Corrections, on behalf of the Crown, will complete roading works once construction of the new facility is complete. The outstanding work is scheduled for completion in September 2023.	Corrections, on behalf of the Crown has completed the upgrade to th wastewater network An in-principle expense transfe has been pre-approved to transfe funding to 2024 and 2025 Corrections, on behalf of the Crown will complete roading works onc construction of the new facility i complete. Works completion i currently anticipated for Novembe 2024



#### **Te Kāwanatanga o Aotearoa** New Zealand Government

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