

Justice Committee Komiti Whiriwhiri Take Ture

54th Parliament March 2025

2023/24 Annual review of the Department of Corrections

Contents

Recommendation	3
About the Department of Corrections Ara Poutama Aotearoa	3
Summary of 2023/24 performance and audit results	3
Financial trends	3
Non-financial performance	4
Audit results	4
Waikeria Prison Development: legal claims by PPP contractor	4
Effects of cost savings	5
Performance of the Hōkai Rangi strategy	5
Complexity of Māori overrepresentation in the justice system	5
Cultural capability of employees	6
Alignment of cultural and gender interventions	6
Deaths in custody	6
Infrastructure planning to meet demand	7
Network configuration plan for long-term capacity	8
Recruitment and staff-to-prisoner ratio	8
Success of the recruitment campaign	8
Recruitment for Waikeria Prison	9
Staff-to-prisoner ratio	9
Staff safety and wellbeing	9
The Optimising our Services programme	10
Access to rehabilitation programmes	10
Extending rehabilitation programmes to people on remand	10
The Justice Cluster	11
Meeting legislative obligations	11
Other matters considered	12
Appendix	14

Department of Corrections

Recommendation

The Justice Committee has conducted the annual review of the Department of Corrections for 2023/24, and recommends that the House take note of its report.

About the Department of Corrections | Ara Poutama Aotearoa

The Department of Corrections is responsible for improving public safety. Its core responsibilities include:

- managing 18 prisons across the country
- providing rehabilitation and reintegration support
- monitoring community-based sentences and orders
- providing information to the courts, the New Zealand Parole Board, and registered victims.

The Department of Corrections manages over 9,500 people in prison and nearly 26,000 people serving a sentence or order in the community. It employs over 10,000 staff across multiple sites, including prisons and in the community.

We discussed its performance in 2023/24 with Jeremy Lightfoot, the chief executive, and members of his team.

Summary of 2023/24 performance and audit results

The following table summarises the department's financial performance over recent years.

Financial trends

	2020/21 \$million	2021/22 \$million	2022/23 \$million	2023/24 \$million	Change in 2023/24
Revenue	1,824	1,916	2,055	2,248	9.4%
Expenditure	1,826 ¹	1,866	2,038	2,220	8.9%
Net surplus	(2)	50	16	28	_

Corrections' revenue increased by 9.4 percent in 2023/24, to \$2.2 billion, mostly due to additional funding of \$87.6 million in Budget 2024. The increased funding was for strengthening public safety as part of the Waikeria Prison Development project and addressing wage pressures. Other revenue was also higher by \$5.7 million because of

¹ In its 2020/21 report, the Department of Corrections reported \$1.81 billion in expenditure. Following a change in accounting policy in 2022, the number has been updated to show \$1.826 billion.

income received from a litigation settlement and higher than budgeted dividends from farming operations.

The 8.9 percent increase in expenditure in 2023/24 reflects a combination of costs:

- a 7.6 percent increase in the number of frontline employees
- salary increases for frontline staff under collective agreements
- costs from the increase in the prison population
- increased capital charge from the 2022/23 asset revaluation
- the continued progression of the Waikeria Prison Development.

Non-financial performance

Corrections achieved 60 percent (21 of 35) of its non-financial performance measures in 2023/24. Measures not achieved include:

- no unnatural deaths in the corrections system (there were 13, compared with 5 the previous year)
- fewer than 0.2 serious assaults by prisoners on staff per 100 prisoners (there were 0.29 per 100, against 0.30 the previous year)
- the percentage of offenders entitled to receive an offender plan within a standardised timeframe (this was 77 percent, compared with 78 percent the previous year).

Corrections explained that performance in 2023/24 had been affected by various challenges. Recruiting frontline staff is a continuing challenge, and the prison population is increasingly complex, with offenders coming into prison with existing mental health and addiction issues.

Audit results

The Auditor-General issued an unmodified audit opinion. He rated the management control environment, and the financial information and supporting systems and controls as "very good". He gave the department a "good" rating for its performance information and supporting systems and controls. He recommended further development of an integrated performance framework to ensure a clear line of sight to the strategic outcomes sought in the Hōkai Rangi strategy. This framework would also help show how accountability for performance cascades down from governance to business units, teams, and individuals. Corrections should also ensure that its performance measures are clearly defined, with systems and processes for reporting them.

The auditor's report included an emphasis of matter paragraph about Public Private Partnership (PPP) claims for additional costs arising from COVID-19 in the Waikeria Prison Development project. The amount is significant and Corrections has continued to disclose an unquantifiable contingent liability in its 2023/24 financial statements for the claim.

Waikeria Prison Development: legal claims by PPP contractor

In August 2022, the PPP contractor for the Waikeria Prison Development, Cornerstone Infrastructure Partners, lodged COVID-19 related claims of approximately \$430 million. We understand that an independent reviewer rejected most of the claims. In August 2024,

Cornerstone Infrastructure Partners submitted another claim for \$229 million. The claims discussions are ongoing.

Corrections told us that its approach to this claims process is to hold fast to two principles. First, it will not abandon the core PPP principles that underpin the contracting structure. Second, the department is focused on progressing with the work on a day-to-day basis. This means ensuring that it can pay supply chain partners during the construction of the Waikeria Prison. Corrections also said it has maintained strong connections with the Treasury and the Infrastructure Commission. These relationships have helped the department to establish the legitimate parts of the claim that are in accordance with the contract and identify those parts that could not be justified. The department told us it is confident that it is close to resolving any outstanding components of the claims.

Effects of cost savings

We asked what effect cost savings in other parts of the justice sector have had on the department's operations, especially regarding its priority to reduce the number of people held on remand. Corrections told us that improving timely access to justice is a constant challenge. However, the department believes it is having the right conversations with the Police and the courts to understand what is needed to make the biggest difference for access to justice. It believes this collaboration has started to produce better results.

We note that one aspect of the department's cost-saving exercise was the removal of back-office support services, saving \$43 million in baseline spending. The department underwent an organisational review, informed by the Ombudsman's Kia Whaitake | Making a Difference report.² This review led to a pause in recruiting back-office support staff and placed Corrections in a better position to remove unfilled vacancies when asked to find cost-savings in its baseline funding.

Performance of the Hōkai Rangi strategy

Hōkai Rangi was launched in 2019 as a five-year organisational strategy that sought to produce better outcomes for Māori and reduce the representation of Māori in the justice system to a level proportional to the general population. Underpinning Hōkai Rangi are six pou (pillars).³ Corrections refreshed Hōkai Rangi in December 2024, and the six pou will remain important components of the strategy.

Complexity of Māori overrepresentation in the justice system

The department acknowledges that the complexity of Māori overrepresentation in the justice system is "not a simple problem to solve with one answer, one response". Nor does Corrections assume that it is the most appropriate organisation to determine what is needed for Māori to reconnect with their whakapapa and te ao Māori. For example, Corrections established the Māori Pathways programme that works with iwi, hapu, mana whenua, whānau, and Māori providers to respond to the cultural needs of Māori to create long-term

² Ombudsman New Zealand, <u>Kia Whaitake | Making a Difference</u>, 2023.

The pou are explained in the strategy: see pages 14 to 20 of Hokai Rangi.

foundations for more positive participation in society. The department recognises that these services need to be provided by others who are more capable.

Cultural capability of employees

Corrections told us that Hōkai Rangi has led to a shift in the way its employees think about the people they manage, especially the cultural needs of those who are overrepresented in criminal justice system. We asked whether Corrections is backing up that change through employee development. We heard that an elective training programme that teaches cultural awareness is available to staff; those who complete the course receive an increase in salary. Corrections said that 79 percent of prison-based staff and 87 percent of health services staff have completed the course. The department added that it has recently refreshed its cultural capability framework, which will be launched in 2025. This refreshed framework will support staff to move through different stages of cultural awareness.

We asked whether the composition of the department's workforce should be more representative of the prison population. Corrections told us that while three members of the senior leadership team define themselves as Māori, the whole team is 100 percent committed to the Hōkai Rangi strategy. The department said that it is important to have the best people on board who can focus on the most critical areas of the Corrections system, who can bring diverse views, competencies, skills, and expertise to the table.

Alignment of cultural and gender interventions

Corrections noted that its new organisational structure (The Pathway Forward: Te Ara Whakamua) established the position of Deputy Commissioner for the women's prison network. We heard that this new role supports staff across the women's prison network to increase their understanding and awareness of the importance of working in a genderaware, culturally responsive, and trauma-informed way.

The department noted that it launched its women's strategy (Wāhine: E Rere Ana Ki te Pae Hou) in 2017, which provided a guide on how to respond to the needs of women under its management. The strategy was introduced at a time when the number of wāhine Māori in prison was at an all-time high. It aimed to reduce reoffending through gender and culturally responsive programmes and services. Corrections said it refreshed this strategy in 2021 to guide the implementation of the Hōkai Rangi strategy for women.

Corrections acknowledges the high proportion of wāhine Māori in its system and that wāhine in prison experience significantly higher levels of dislocation than men. The department told us it works with mana whenua and Māori partners to provide rehabilitation and reintegration pathways. This is because mana whenua and Māori partners are in a better position to communicate that cultural connections are important for positive outcomes. These connections also give wāhine Māori a sense of optimism, "knowing that there are whānau or others outside the wire who are committed to their success".

Deaths in custody

In the 2023/24 financial year, Corrections reported 31 deaths in custody, an increase of 13 from 2022/23. Of these deaths, 18 were assumed natural, and 13 assumed unnatural. We noted that Corrections completed death-in-custody reports for 8 of the 13 unnatural deaths

within six months of the death occurring, but was given an 88 percent pass rate for timeliness by the Auditor-General. We questioned the accuracy of this reporting measure. The department explained that a report for an unnatural death might not be completed and included as part of the performance measure because of the timing of the death relative to the end of the financial year. Corrections said that of the 13 unnatural deaths, 8 were identified as being relevant for the reporting period. Only one report did not meet the timeliness requirement, which led to the performance rate of 88 percent.

Corrections' Office of the Inspectorate published a report in February 2024 on suspected suicide and self-harm incidents in prisons from 2016 to 2021.⁴ This provided insights into some of the main drivers that might be leading to increased levels of self-harm and suicide. The department said it accepted the six recommendations made by the Inspectorate and is making some progress in addressing some of the most immediate and pressing areas.

We asked whether the behaviour of any of the 13 who died of unnatural causes indicated that they were suicidal. Corrections explained that within 24 hours of someone passing away from suspected suicide, the Pae Ora team asks for information from frontline staff on how that person was acting before they died. The department also told us that when a person is processed for entry into prison, they are assessed twice for risk of suicide, by custodial staff and health staff. If staff have concerns about someone's vulnerability, they are put into an intervention support unit.

We heard that the rate of suspected suicide for Māori has increased, and more people are committing suicide while on remand. In response to these findings and the Inspectorate's recommendations, the department told us its chief nurse is taking the lead on responding better to individuals' health reports. Corrections told us it has taken other steps in responding to the Inspectorate's report; for example, it has:

- employed a principal suicide prevention adviser
- refurbished its intensive support units to accommodate people who are at a higher risk of suicide
- finalised its mental health operations manual for its mental health teams
- provided staff with training on the suicide screening tool.

Infrastructure planning to meet demand

We note that most prisons were built for a remand population of around 15 percent of the prison population. However, remand prisoners now make up 43 percent of the men's prison population and 59 percent of the women's prison population. We are interested in what implications such high remand numbers have for prison infrastructure. Corrections commented that remand prisoners are less settled and stable, leading to a greater propensity to violence and erratic behaviour. Therefore, high security has been a real focus in the long-term network configuration plan. It said that in the last 10 years it has become better at planning for these significant changes in the composition of the prison population.

Office of the Inspectorate, <u>Suspected Suicide and Self-harm Threat to Life Incidents in New Zealand Prisons</u>, 2024.

Some of us expressed concern that Corrections could run out of beds because of the proposed increase in prison numbers due to the Government's law and order policies. The department acknowledged that there might be increased pressure on capacity from the middle of 2025, when the first stage of Waikeria Prison's development becomes available, to the beginning of 2029, when the expanded Waikeria prison becomes operational. However, it has restored previously unused beds at other sites to bridge this capacity gap.

Network configuration plan for long-term capacity

We heard that Corrections presented a long-term network configuration plan to Cabinet in 2024. That plan focused on two primary areas of the department's infrastructure: the growing need for high-security accommodation and the resilience of low-security accommodation.

As noted above, Corrections' focus on high-security accommodation is informed by the growing remand population. We heard that the department has set out where there are opportunities to improve the quality and increase the capacity of high-security accommodation at key locations. Corrections recognises that its old low-security hut accommodation is not in good condition. The approach it has taken over the last 20 years is to progressively improve the hut units in a way that enables them to still be useable, by replacing or restoring this accommodation on a hut-by-hut basis.

The department stressed that the high-security accommodation is its bigger focus, and the development of Waikeria Prison will be an important part of its network. We heard that it is close to completing construction of the first 596 places—500 high-security beds and 96 beds for mental health purposes. A further 841 places are planned for the second stage of the Waikeria development. Corrections commented that the design work for the second stage is well progressed, and earthworks are under way.

We heard that Christchurch Men's Prison is the next location identified in the configuration plan for investment and improvement. Corrections has no immediate plans to expand Mount Eden Corrections Facility because it is confident in its capacity for the next few years. However, it commented that this facility has been placed on Schedule 2 of the Fast-track Approvals Amendment Act to increase its capacity to 1,200 prisoners. This would ensure that Corrections can progress with the consenting process more quickly, should further need for high-security accommodation in the Auckland area eventuate.

Recruitment and staff-to-prisoner ratio

Success of the recruitment campaign

Corrections told us its recruitment campaign has been successful. Since 1 October 2022, it has received almost 55,000 applications for frontline roles. We heard that the assessment of applicants is stringent. From the initial 55,000 applicants, it has recruited 2,156 people into officer roles since October 2022. Corrections commented that the lessons learned from the first phase of its recruitment campaign have contributed to more and better applicants in phase two, and better ability to translate those applicants into a committed workforce.

The department launched the second phase of its recruitment campaign in February 2024. This campaign, called "Stories from the Inside", shared the perspectives of frontline staff. Corrections said its television advertisements reached over 240,000 people. It said the

campaign was able to connect with communities in a way it has not experienced before. People it surveyed described the campaign as educational, hopeful, and progressive. Corrections commented that it now better understands the importance of maintaining connection, visibility, and consistent conversation with the public about the role that it plays within society.

We understand that in the year under review Corrections has recruited 1,986 people, 83 percent of them in frontline roles in prisons or the community. It receives on average 4,000 applicants a month, and maintains a strong pipeline of candidates. Corrections told us it currently has about 211 frontline officer vacancies, but 277 people are in training and will be operational soon.

Recruitment for Waikeria Prison

The department is also recruiting for Waikeria Prison; it needs 455 staff. It acknowledged the concern we have previously expressed about the difficulty of recruiting given the prison's location. However, we heard that its recruitment team has achieved good results, with only 66 roles left to fill. For those roles, 38 recruits are in training and a further 20 are due to start in January 2025. Corrections said it is still working out the number of staff it will need for the planned expansion of Waikeria Prison in 2029. It is confident that recruitment will be helped by the strong relationships it has built in the region.

Staff-to-prisoner ratio

We note that the ratio of staff to prisoners was 2.5 to 1 in 2022/23, but dropped to 2.4 to 1 in 2023/24. We asked whether the current recruitment of more officers is because of an increase in prisoner numbers, filling vacant roles, or increasing capacity. Corrections told us that the number of officers is not static but is directly related to the prison population, which has increased by about a thousand people. It stressed that the large number of new recruits is to address the increase in the prison population, but also staff turnover, previously unfilled vacancies, and increasing its capacity.

Staff safety and wellbeing

The department told us it has been working with its two unions, the Corrections Association of New Zealand (CANZ) and the Public Service Association (PSA), over the last 18 to 24 months to reduce violence and aggression towards frontline staff. This partnership has led to establishing plans for improving safety and wellbeing at each prison. The plans had been codesigned with frontline staff, and were being launched during 2024.

Corrections also said it is continuing to review its tactical equipment. It has set up a tactical review committee, in partnership with CANZ, the PSA, and frontline staff, to ensure that frontline officers are given the right tools to keep them safe. It is also establishing wellness days for its custodial staff, as an opportunity for teams to connect outside the context of their work. The department explained that it is important for frontline staff to be part of tight-knit teams, so they can feel confident in doing their jobs with the support of colleagues.

The Optimising our Services programme

Corrections acknowledges the significant shifts in the population it manages, especially the increasing number of people on remand. It launched *Optimising our Services* at the beginning of 2024, which seeks to understand where to place its effort and resources, and how to prioritise the impact it can have with different cohorts. It emphasised that the review is careful to avoid assumptions about the critical needs of different cohorts of people.

We heard that the department has integrated various databases into one data model to understand the people who are under its management, and has divided them into one of five custodial cohorts. Each custodial cohort was assigned a pathway of care based on which programmes and services would most effectively support each person to leave Corrections with better and brighter prospects. It then sought to understand the demand for each part of the pathway: treatment readiness, programmes for different types of offences, rehabilitation, and intensive reintegration. Corrections told us it is focusing on addressing the needs of two cohorts: women and young people.

Access to rehabilitation programmes

We are interested in the department's work to provide more effective rehabilitation programmes. Corrections told us that through *Optimising our Services* it can better appreciate the importance of understanding the cohorts under its management. That programme has highlighted where each cohort is within the justice system, the services and programmes the department can provide these cohorts, and what it needs to do to future-proof its programmes and services.

The department explained that over the last 12 months it has focused on recovering from setbacks caused by the COVID-19 pandemic. This recovery includes ensuring that programme facilitators, external service providers, and psychologists have access to the necessary spaces within prisons to effectively provide rehabilitative services. Corrections feels it has now returned to the pre-COVID-19 level of operation. It is also thinking about innovative ways to provide rehabilitation, such as services through audio-visual links.

Extending rehabilitation programmes to people on remand

We note that \$78 million has been put aside as a "tagged contingency" to extend rehabilitation programmes to people on remand, so they do not have to wait until they are sentenced. We were concerned that doing so might come at the expense of intensive rehabilitation programmes for people who have already been sentenced. Corrections told us one of its next programmes of work will be to reset and reconfigure its system to improve its rehabilitative performance. It said examining supply and demand will help work out what can be done differently and better.

Corrections recognises that it is a challenge for people on short sentences or on remand to leave prison in a better state and with brighter prospects. It admitted that extending rehabilitation programmes to people on remand might lead to "biting off more than we can chew". This was why it made the decision not to receive that funding in the first year of Budget 2024, and focus instead on planning for this new challenge. It stressed that its goal is to provide a consistent and effective level of service for people on remand. However, doing

so can be difficult when there is movement between prisons because of court appearances and other requirements. We heard that modular solutions are needed: programmes that "can be picked up and started, things that don't require a long time or a lot of space".

The Justice Cluster

The Department of Corrections is part of the Justice Cluster pilot, along with four other justice sector agencies (the Ministry of Justice, New Zealand Police, Crown Law Office, and Serious Fraud Office). The pilot's aim is more efficient and effective interagency investment, beyond an annual Budget cycle, to achieve four key objectives:

- better outcomes for victims
- improving access to justice
- · addressing issues with remand
- better enabled organisations and workforce.

We suggested that the Police and Corrections may have more of an incentive to improve the justice sector than the Ministry of Justice, particularly to ensure that there is less offending and fewer people in prison. We asked whether Corrections could take a larger stewardship role in the sector, instead of the ministry. Corrections told us that its chief executive chairs a fortnightly Justice Sector Leadership Board subgroup of the Justice Cluster. Members of this subgroup include the Secretary for Justice and the Police Commissioner, and attendees include the Chief District Court Judge and the National Executive Judge.

We heard that this subgroup recognises that there is a collective need to advocate for change in different parts of the justice system. For example, prevention efforts are needed earlier so fewer victims are harmed. Corrections said its leadership of this subgroup shows that not every piece of work to improve the system is led by the Secretary for Justice.

We are interested in what accountability mechanisms are applied to the subgroup's fortnightly meetings. Corrections told us that actions decided on at each meeting are revisited at the next meeting. We heard that having regular meetings has helped the members to really focus on areas where practical changes can be made to the system. As part of our scrutiny plan, we intend to hold a briefing on the performance outcomes of the Justice Cluster.

Meeting legislative obligations

We are concerned that Corrections is still not meeting its legal obligations to provide minimum entitlements for prisoners, particularly regarding visits, case management plans, and double-bunking in cells. Corrections told us that the visitation entitlement has been an ongoing focus as the department recovers from the setbacks of COVID-19. It confirmed that all prisons are meeting their obligations for visits, allowing all prisoners at least a 30-minute visit every week. In some instances, visits are much longer: between one and two hours.

We are also concerned that only 77 percent of sentenced prisoners received an offender plan within the timeframe set. Corrections acknowledged that this performance is not acceptable but commented that solely focusing on this target is not the answer. It said it is more important to understand what changes are needed to its system to enable better

connections with the people it manages, their whānau, and their support network outside prison. These connections extend to working with bail support officers and probation officers to help offenders make positive changes in their lives after finishing their sentence.

We heard that 28–29 percent of newly sentenced prisoners received time served because of delays with access to justice. This affects the allocation of a case manager at sentencing and access to rehabilitation. The department said all sentenced prisoners have received a case management plan but may be awaiting allocation to a case manager. This might be because they had recently moved to another prison. It commented that any statistic about the numbers of prisoners without a case manager is only a snapshot at a point in time.

Corrections told us that, because of operational requirements, new prisons are being designed so that prison cells could accommodate two prisoners. We are concerned that this is a breach of rule 12 of the Nelson Mandela Rules, which states that each prisoner should have their own cell.⁵ We asked how Corrections can reconcile designing a prison that is not consistent with international obligations. The department told us that double-bunking is a common occurrence, but it makes sure that any placement of two prisoners in a cell is done safely. We will continue to monitor this situation.

Other matters considered

We also discussed the following matters. For more detail, refer to the pages noted below in the *Hansard* transcript of our hearing, available on the Parliament website.

- **Social investment approach**—Through *Optimising our Services* the department can now contribute more broadly to the social investment approach to help inform greater prevention efforts in the future. (*Transcript, page 46.*)
- **Public service targets**—We discussed Corrections' role in meeting and reporting on public service targets. For Corrections, these targets relate to contributing to effective treatment for those who commit violent offences. (*Transcript, page 47.*)
- **Comparison of reoffending rates**—We heard that other jurisdictions have different ways of calculating reoffending rates and there is no internationally consistent method of comparing reoffending rates. (*Transcript, page 54.*)
- Women's therapeutic unit—Corrections said it has not yet evaluated outcomes for women in the therapeutic unit at Christchurch Women's Prison compared to outcomes at other facilities it runs. (Transcript, page 15.)
- **Funding for Māori Pathways**—We heard that there is enduring funding for certain components of the *Māori Pathways* programme. The department is identifying those components that have the greatest potential so they can be incorporated into its core programmes. (*Transcript, pages 16 and 17.*)
- **Mental health funding**—Corrections confirmed that the funding for Improving Mental Health Services remains intact. It will focus on people with mild to moderate mental health issues. We were assured that mental health services are available to anyone in prison, including people on remand. (*Transcript, page 49.*)

⁵ United Nations Standard Minimum Rules for the Treatment of Prisoners (the Nelson Mandela Rules).

• **Mental health legal obligations**—The department told us it uses every instrument it has at its disposal to ensure that people who need to be cared for by a mental health facility are not held in prison instead. (*Transcript, pages 51 and 52.*)

Appendix

Committee procedure

We met between 2 December 2024 and 20 March 2025 to consider the annual review of the Department of Corrections. We conducted an in-depth annual review, hearing evidence from the Department of Corrections on 5 December 2024 for three hours. We received advice from the Office of the Auditor-General.

Committee members

Hon James Meager (Chairperson)
Hon Ginny Andersen
Jamie Arbuckle
Carl Bates (from 29 January 2025)
Cameron Brewer (until 29 January 2025)
Tākuta Ferris
Paulo Garcia (until 29 January 2025)
Dr Tracey McLellan
Rima Nakhle
Tamatha Paul (until 29 January 2025)
Tom Rutherford (from 29 January 2025)
Todd Stephenson
Hon Dr Duncan Webb
Dr Lawrence Xu-Nan (from 29 January 2025)

Related resources

We received the following documents as advice and evidence for this annual review. They are available on the <u>Parliament website</u>, along with our <u>structured agenda</u>, and the <u>Hansard transcript</u> and <u>recording of our meeting on 5 December 2024</u>.

- Office of the Auditor-General (Briefing on the Department of Corrections).
- Department of Corrections (Responses to written questions).