Appendix One: Summary of Corrections' Baseline Savings introduced through Budget 2024.

- **$172 million (over four years) from scaling and optimising back-office support services:**

  Enabling workforce savings of $132 million over four years or $33 million per year through vacancy management and disestablishments, fixed term role assessments and a continued focus on contractor and consultant expenditure.

  Going forward, efforts can be more targeted which will contribute to savings (work to assess ACC and payroll processes for operating, managing annual leave reductions). These are expected to contribute $40 million to the savings plan over four years or $10 million per annum.

- **$164 million (over four years) from scaling and optimising services and programmes:**

  Assessments undertaken in the last 12-24 months are informing decisions to make changes to the suite of reintegration and rehabilitation programmes currently delivered to people in prison. This work commenced because the underlying needs of the prison population have changed significantly in recent years, for reasons including a significant growth in volume and the proportion of people in prison on remand. This programme of work will determine the best value and most effective programmes and interventions, and delivery approach, to continue into the future. Stakeholder consultation will occur ahead of any final decisions. Through this work, Corrections is targeting savings of $116 million over four years or $29 million per annum.

  The scaling and optimising Service Delivery Expenditure category also includes Hikitia. Corrections was funded $24 million per year to provide an enhanced level of mental health and addiction support at three prison sites in the central region, including opening 96 dedicated mental health beds (plus four dry cells) as part of the Waikeria Prison Development. Corrections has handed back half of this funding representing $48 million over four years or $12 million per annum to contribute to the savings plan. While an enhanced level of mental health care will still be provided at Waikeria Prison, this will be scaled back from the original plan. This includes operating 52 of the 96 mental health beds at Waikeria Prison as intensive mental health support. The remaining beds will also support people with mental health needs. This means Corrections will still have four units dedicated to supporting people with mental health needs, however, these services will be more tailored to better meet the specific needs of prisoners at that site. This decision was made in balancing the fiscal savings required against the demand for the services.

- **$68 million (over four years) from scaling and optimising how the Department stewards and manages their assets:**

  Around 30 percent of Corrections' operating expenses each year are related to asset ownership. Savings will be targeted through identifying ways to manage, use and maintain these assets more efficiently. This includes working with Corrections' service partners to find ways to reduce levels of planned maintenance while maintaining safe frontline operations. The exact changes to the maintenance schedule are still being finalised. This is expected to contribute savings of $20 million over four years or $5 million per annum.

- Other components include property lease reviews, reviewing the use of digital and vehicle assets to make sure accounting estimates for depreciation best match real-life usage, and a strategic review of asset insurance arrangements to consider alternative approaches. In combination these are expected to contribute savings of $48 million over four years or $12 million per annum.

- **$21 million (over four years) from optimising their core operations (through finding efficiencies – not through cuts).**

  Corrections is optimising its core operations through a review of the various custodial and community-based operating models for efficiencies, without impacting staff or prisoner safety. Corrections will share learnings between sites and make tweaks to processes and policies to make sites operate more efficiently where it is safe to do so. This is expected to contribute savings of $12 million over four years or $3 million per annum.

  Scaling back the Future of Electronic Monitoring strategic programme. This relates to strategic back-office work and will not negatively impact the frontline operational delivery of electronic monitoring. Corrections is also scaling the funding to operate the Prisoner of Extreme Risk Unit which is not operating near forecast capacity. These contribute to savings of $9 million over four years or just over $2 million per annum.

  Further savings of $16 million over four years have also been identified from scaling down the High Impact Innovation Programme (HIIP) as a cross-sector initiative. HIIP is a cross-justice sector capability funded from Vote Corrections that provides project management, change, design and advisory services to the sector.