

AIDE MEMOIRE: Budget 2024 - 'Prisoner Population - Responding to Increasing Prisoner Numbers' initiative

To Hon Mark Mitchell, Minister of Corrections			
Date	1 March 2024	Timing	Not applicable
B number	B4688	Priority	Medium
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Purpose

- The purpose of this aide memoire is to provide you more detailed information on the single Budget 2024 "Prisoner Population - Responding to Increasing Prisoner Numbers" initiative bid which was submitted as a response to the forecast increasing prison population [B4685 refers].
- The Budget bid submitted is in line with your response to the letter of portfolio priorities from the Prime Minister, dated 18 December 2023. That letter noted the Government's commitment to ensuring Corrections has sufficient and fit-for-purpose prison capacity to accommodate the increasing prison population and to replace poor quality prison infrastructure.

Key messages

Responding to prison population forecasts requires funding in Budget 2024 for volume cost pressures and capital projects

- The current prison population is forecasted to increase, with new Government policy projected to further increase demand. An interim Justice Sector Projection (JSP) forecasts a prison population of 11,500 by 2028 under its base forecast (which indicates a practical operating capacity needed of 13,100 beds). Projections for the prison population range as high as 13,600 by 2028.
- These projections show an indicative shortfall of over 700 beds by June 2028 under the base projection. The high-end projection indicates that capacity will be exhausted by late 2024.
- Funding is necessary to ensure capacity is sufficient to meet this forecast. It will be directed towards associated operating volume cost pressures and building additional capacity to address as much as possible the capacity requirements in the medium term.
- A single Budget 2024 bid "Prisoner Population - Responding to Increasing Prisoner Numbers" has been submitted (B4685 refers).
- increasing prison population and to replace poor quality prison infrastructure is therefore critical.

Immediate and medium-term responses are necessary to ensure that the forecast prison population can be managed

- Responses to the increasing prison population will be a combination of operational measures and an infrastructure response with immediate, medium and long-term programmes of work. S 9(2)(f)
- Over four years to 2027/28 9(2)(f)(iv) is sought to manage the increasing population up to 10,500 prisoners.
- Immediate actions to re-open closed capacity and introduce further double-bunking are underway as a transitional measure while appropriate permanent solutions are instigated.
- An expansion of Waikeria Prison is the most viable option to meet the medium-term capacity pressures.

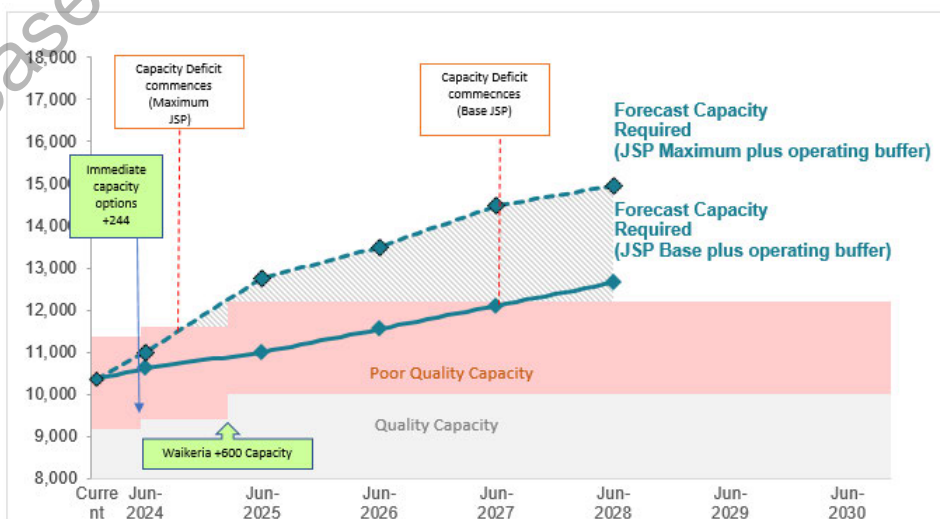
- 9(2)(f)(iv) [REDACTED]

Creation of Budget 2024 tagged contingencies provides confidence to proceed on a medium-term response

- A tagged contingency comprising 9(2)(f)(iv), 9(2)(b)(ii), 9(2)(j) [REDACTED] to build and operate new capacity is sought for the medium-term programme, which mitigates the forecast capacity deficit 9(2)(f)(iv) [REDACTED]
- Construction of new facilities can take between four to six years. There is urgency to ensure sufficient acceptable capacity is in place to meet forecast demand due to the time it takes for any new facilities to be brought into service.

Current prison capacity will be challenged by an increasing prison population

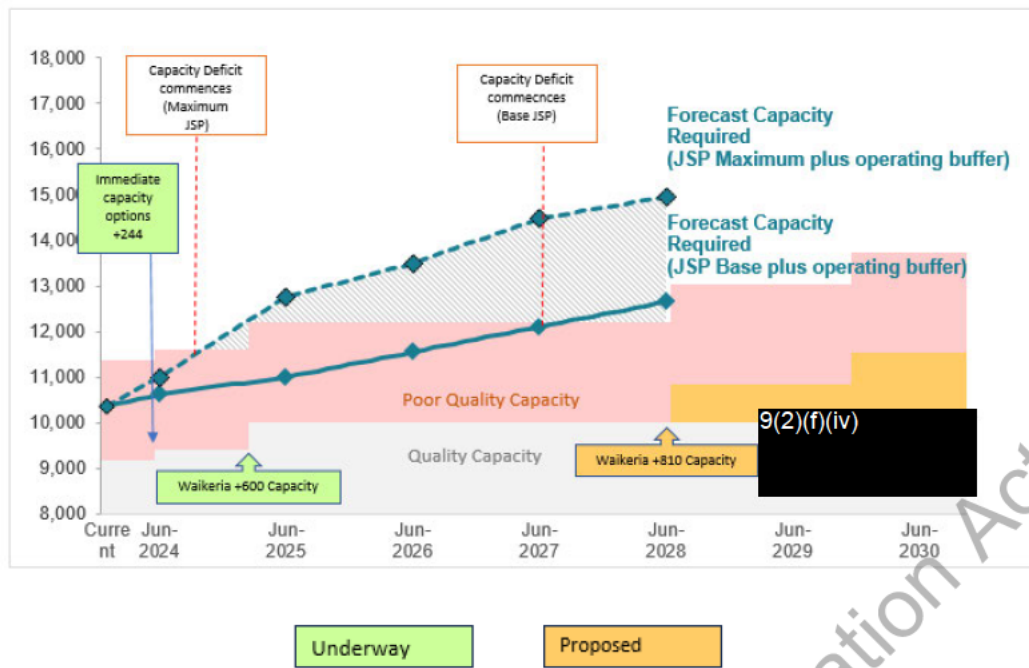
- 3 An interim Justice Sector Projection (JSP) based on recent prison population trends and signalled Government priorities indicate that we need to increase our prison bed numbers. This modelling takes into account current capacity and the Waikeria development due into service in 2025. A deficit of capacity is estimated to occur in Q3 2027 under the JSP 'base' scenario but could be as early as Q4 2024 under the JSP 'maximum' scenario.
- 4 The JSP 'base' projection indicates a prison population of 11,500 by 2028. It is important to note that projections provide a variance to account for fluctuation and projections range to as high as 13,600 prisoners by 2028 (B4624 refers).
- 5 Our prisons currently have a total of about 11,400 prisoner beds, with capacity for 12,234 once the new Waikeria facility is operationalised in early 2025 and immediate options are brought into service. However, it is practically impossible to manage the network at 100 percent utilisation. We always need some staffed beds to be available as a 'buffer' in the system to account for fluctuations in population, to enable prisoner movements between sites, manage segregation, allow for demand uncertainty and to empty units for repair and maintenance.
- 6 Further network resilience is required, as it ensures that we have a reserve of beds should we experience an unexpected increase in prison population or need to respond to an operational matter which closes another unit or facility. This is currently set at 450 disaster recovery reserve beds.
- 7 The current network includes 20 percent of beds that are of poor quality which potentially increase risks of violence and aggression and decreased staff well-being and retention, together with inefficiencies and disruption to the delivery of entitlements and rehabilitation.
- 8 The immediate pressures are for high-security beds primarily in the Auckland and Canterbury regions.
- 9 The graph below illustrates the capacity requirement under the JSP scenarios against the current physical capacity available (excluding disaster recovery requirements).



- 10 Prison population increases will also have a flow on effect of increased demand pressure on the delivery of community and reintegration services. A particular area of focus is our High Risk Residential Services (HRRS) located on prison land, which provide stable housing for people reintegrating from custody into the community but who are at high-risk of committing serious offending. HRRS provide a critical option where all other housing options have been exhausted. There are 33 existing beds which is not sufficient to meet demand. This results in people moving into other housing before they are ready, or people who meet the criteria for accommodation being declined a referral to this service. Given the projected increase to the prison population, there will be continued demand for HRRS beyond existing capacity.

Proposed responses to address the prisoner population increase involves immediate and medium-term physical infrastructure initiatives

- 11 Immediate capacity actions involve assessing, remediating or refurbishing capacity that has been closed or capacity that can be repurposed (for example, from low-security to high-security). Corrections will consider self-funding works up to \$75 million once assessments for the following are completed:
- Investigating capacity that is not open and initiating work to bring this capacity back into service. There are approximately 450 beds under consideration to bring back into service.
 - Investigating works on Rimutaka Prison low-security beds (244) to enable them to be used as high-security accommodation.
- 12 Medium-term investment requires assessing options to quickly build new capacity to meet the forecast capacity deficits (from 2027 using the base JSP forecast). Appendix One provides a summary of prison site assessments, which points to an expansion option at Waikeria Prison of three wings, configured as an 'X' as the only viable option to meet the assessment criteria. Increasing capacity quickly within the network is possible at Waikeria Prison but comes with challenges at other sites. Corrections' Long-Term Network Configuration Plan (LTNCP), which is under development, outlines the transition to a better quality, safer, and more fit-for-purpose prison network and informs and supports the option of a capacity increase at Waikeria.
- 13 Taking into account the near-term increasing prison population pressures and recognising the time it takes for any new facilities to be brought into service (typically between four to six years), a decision is required urgently for investment in additional capacity.
- 14 The Waikeria Prison development is now nearing completion. An expansion option was previously contemplated with site infrastructure already being configured to be able to add capacity without the need to upsize supporting infrastructure (i.e. new capacity can be incorporated into its operations). Completing any proposed expansion is estimated to take three years from construction commencement with a further six months to operationalise the facilities.
- 15 Waikeria Prison is the next closest prison to Auckland, which is the region with the highest demand. The current project is being delivered under a Public Private Partnership with the consortium Cornerstone Infrastructure Partners (CIP). 9(2)(f)(iv) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] More detailed analysis is required to confirm the ability to staff the larger site.
- 16 The JSP forecast is an estimation and it is important to ensure that we have adequate reserve of good-quality beds. Noting also that currently 20 percent of capacity is poor quality and that network resilience is low, it is clear that the addition of high security capacity is prudent.
- 17 The graph below illustrates the capacity requirement under the JSP scenarios and how indicative capacity investment of 810 beds at Waikeria and 9(2)(f)(iv) [REDACTED] mitigates some capacity risk under the JSP base projection.



18 The illustration shows that:

- The prison network will require the use of poor quality capacity even with the proposed capacity increases.
- Without any new capacity added there will be a shortfall of capacity from mid-2027 under the base forecast and as early as Q4 2024 under the maximum forecast.

19 Any capacity deficits until new capacity is constructed may require changes in operational settings, such as use of additional double bunking. Expansion at Waikeria with some flexibility in the design to allow use for different security classifications in future is the preferred option to mitigate some of the upcoming capacity pressures. Further investment will be required to address broader quality and network issues which will be the subject of future briefings to you.

Creation of a tagged contingency in Budget 2024 provides confidence that work on medium-term options to respond to the population pressures can proceed

20 Funding for the associated operating volume cost pressures and capital funding to reinstate existing capacity and build additional capacity is necessary to ensure that the justice system can operate sustainably and contribute to improving public safety. A single Budget 2024 bid is being submitted which aggregates the component parts of funding for programmes of work necessary to respond to the prison population increases.

21 A tagged contingency 9(2)(f)(iv), 9(2)(b)(ii) [redacted] to build and operate new capacity is sought for the medium-term programme, which mitigates the forecast capacity deficit 9(2)(f)(iv) [redacted]

Operational baseline funding enables HRRS capacity options to be explored

22 Funding is also sought to respond to the shortfall in supply of HRRS housing referred to in paragraph 8. This will cover feasibility and concept design for 48 additional places. 9(2)(f)(iv) [redacted]

Improving staffing levels to ensure suitable prison beds are staffed and therefore available is a current issue and also requires resolution as new capacity is added

23 As well as having physical capacity, network capacity is reliant on available staffing. Measures are in place to address current staffing shortages (B4622 refers). Recruiting and training new staff for added new capacity will require careful management to ensure that staffing is available concurrently with capacity increases and that site rosters are well balanced.

24 To manage a projected increased prison population of 11,500 by 2028, we will require 9(2)(f)(iv) [redacted] We also require case managers, nursing and health, probation officers and other skilled staff. Modelling suggests that the rate of recruitment required is approximately 9(2)(f)(iv) [redacted] which covers both new staffing and replacing staff turnover. This is ambitious but attainable considering past recruitment and retention activity and the resources available.

25 An analysis of staffing requirements and phasing is provided in the following table:

9(2)(f)(iv) [redacted]

Next steps

26 9(2)(f)(iv) [redacted]
[redacted]

27 9(2)(f)(iv) [redacted]
[redacted]
[redacted]

Minister comments



Appendix One: Prison network assessment for capacity expansion

An assessment of the full prison network

1. **Table one** on the following page provides an indication of the status of each prison, in the context of the ability to add capacity. The table is coded according to status, as follows:
 - green - meets criteria
 - amber - some considerations are required before fulfilling the criteria
 - red – does not meet criteria
2. Adding capacity quickly to the majority of prison sites is not feasible due to those sites not having local and ongoing network demand, land-use restrictions or costs to upsize related infrastructure to integrate any new capacity or merely room to expand.

Auckland region prisons

3. We consider that construction at speed in Auckland is not possible. The Auckland region is the most populous region and will continue to have a requirement for prison capacity. However, Auckland South Corrections Facility and Auckland Prison are limited to a prisoner population cap and therefore no new capacity can be added without lengthy RMA processes, which have an uncertain outcome of success. Mt Eden Corrections Facility (MECF) does have potential options to expand, however, construction in a constrained site and ongoing staff shortages mean that there is little likelihood of fully utilising any capacity. As such, this is not a viable option at this time.

Waikeria

4. The Waikeria site is able to be progressed quickly using existing contractual provisions and design materials (refer paragraphs 15 and 16 above).

Christchurch Men's Prison (CMP)

5. CMP is an important facility in the national and South Island prison network. Planning is underway to replace old capacity. §(2)(f)(iv)
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Table One: Assessment of full prison network

Prison	Strategic requirement to add capacity	Ability to commence construction quickly	Site configuration costs to develop new capacity	Comments
Auckland Women's Corrections Facility (ARWCF)	Yellow	Red	Red	Requires enhanced female specific design options before considering any new high security capacity.
Arohata Prison	Red	Red	Red	
Christchurch Women's Prison	Yellow	Red	Green	Any expansion here would only service local demand.
Northland Region Corrections Facility (NRCF)	Yellow	Red	Green	
Auckland South Corrections Facility (ASCF)	Yellow	Red	Red	While this is the area of highest demand, ASCF does not have remand capacity, has a prison population cap, and no readily available land.
Auckland Prison	Green	Red	Red	Prison population cap at site. Can only alter the type of capacity (eg. alter the ratio of high security and low security within the existing cap.)
Mt Eden Corrections Facility (MECF)	Yellow	Red	Red	Area of greatest demand but significant staff recruitment issues mean that it has not been able to operate at 100 percent of capacity, and this issue remains if new capacity is added.
Waikeria Prison	Green	Green	Green	There is existing space and supporting infrastructure to accommodate additional capacity.

Spring Hill Corrections Facility				Designation conditions restrict any expansion options. Current resource consents for drinking water and stormwater discharge will also need to be managed under any expansion.
Tongariro Prison				This prison is currently a low security / voluntary segregation site with no remand capacity.
Hawke's Bay Regional Prison				9(2)(f)(iv), 9(2)(b)(ii) [Redacted] [Redacted]
Manawatu Prison				Small site designated as a remand hub only.
Whanganui Prison				9(2)(f)(iv), 9(2)(b)(ii) [Redacted] [Redacted]
Rimutaka Prison				No suitable land for expansion.
Christchurch Men's Prison (CMP)				9(2)(f)(iv) [Redacted] [Redacted]
Rolleston Prison				Currently a low-security site with no remand capacity.
Otago Corrections Facility				No requirement for additional capacity. Current designations limit development.
Invercargill Prison				No requirement for additional capacity.

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