



DEPARTMENT
OF CORRECTIONS

DEPARTMENT OF
CORRECTIONS

ANNUAL
REPORT

1 July 2002 - 30 June 2003

Presented to the House of Representatives Pursuant to Section 39 of
the Public Finance Act 1989

FOREWORD

In accordance with section 39 of the Public Finance Act 1989, I submit the following report on the operations of the Department of Corrections for the period 1 July 2002 to 30 June 2003. This includes audited financial statements and covers the Department's administration of the Penal Institutions Act 1954 (and the Penal Institutions Regulations 2001), the Sentencing Act 2002 and the Parole Act 2002.



Mark Byers
Chief Executive

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CHIEF EXECUTIVE'S *Overview*

The Department of Corrections was established in October 1995.

In the intervening period the Department's focus has been on addressing issues related to the organisational development and operational delivery of its core business. There has also been a strong focus on the development of new ways to increase our capability in the area of reducing re-offending.

In achieving these and other key areas of work as outlined in this report, the Department has made significant progress towards improving its overall contribution to the justice sector outcome of Safer Communities through its focus on the outcomes of Protecting the Public and Reducing Re-offending.

Part A provides information on a range of quality and effectiveness measures used to determine our overall contribution to these outcomes and it is pleasing to see the results that have been achieved so far, which clearly show that the Department performs well when compared to other overseas jurisdictions.

However there is still much to achieve and the 2003/04 year will see the Department start to implement its new set of Strategic Business Plans, which have a clear focus on consolidating the gains that have been made as well as continuing to look for ways to improve how we undertake our core business.

I am proud of what has been achieved by this Department since 1995. We are a strong organisation that is clearly focused on its overall direction and has clear understanding of the work required to ensure that we continue to improve.

I also thank the staff and managers for their efforts in ensuring the Department has been able to meet the challenges of the past and is now well placed to meet the challenges of the future.



Mark Byers
Chief Executive



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Introduction

The 2002/03 Annual Report describes achievement against the Department's strategic goals and key milestones, outputs and performance measures as outlined in the Department's Statement of Intent produced at the beginning of the year.

The Department has this year introduced a new Strategic Business Plan, Māori Strategic Plan, Pacific Strategy and associated operational strategies to guide its work through to 2008. These plans mark a significant stage in the Department's development, so this report also takes the opportunity to report broadly on progress since the Department of Corrections was established in 1995.

The Annual Report is divided into three parts:

Part A – outlines the purpose of the Department and its strategic direction, then provides some information on the context in which it operates, with reference to some key statistics. It also describes the development of the Department since 1995. This is followed by a section on outcome measurement. As part of the Department's focus on its outcomes, a range of efficiency, quality and effectiveness measures are used to demonstrate the progress being made towards the secondary outcomes of Protecting the Public and Reducing Re-offending. Part A concludes by reporting progress made against each of the four Strategic Goals and their associated milestones.

Part B – reports performance against the outputs as outlined in the 2002/03 Statement of Intent within the 2002/03 appropriation. It does this through the inclusion of a Statement of Service Performance and Financial Statements to meet the requirements of the Public Finance Act 1989.

Part C – begins the process of placing the Department's performance reporting within the context of sustainable development – the triple bottom line. This part also provides a range of additional performance information and outlines some of the key dimensions and structure of the Department.

Purpose and *Strategic Direction*

PURPOSE AND PRINCIPLES OF THE CORRECTIONS SYSTEM

The Department of Corrections was established in October 1995 and is responsible for the administration of the New Zealand corrections system. The following purpose and principles of the corrections system have been approved by the Government.¹

Purpose

The purpose of the corrections system is to maintain public safety and contribute to the maintenance of a just society by:

- ensuring that the community-based and custodial sentences and related orders that are imposed by the courts and the New Zealand Parole Board are administered in a safe, secure, humane and effective manner
- assisting in the rehabilitation of offenders and their reintegration into the community, where appropriate, and as so far as is reasonable and practicable in the circumstances and within the resources available, through the provision of programmes and other interventions
- providing information on offenders to the courts and the New Zealand Parole Board to assist them in their decision-making.

Principles

The principles that guide the operation of the corrections system are listed here.

- The maintenance of public safety is the paramount consideration in decisions about the management of persons under control or supervision.
- Victims' interests must be considered in decisions related to the management of persons under control or supervision.
- In order to reduce the risk of re-offending, decisions related to sentence planning and management, and the rehabilitation and reintegration of offenders into the community, must, where appropriate, take into account the cultural background, ethnic identity, and language of offenders.
- An offender's family must, so far as is reasonable and practicable in the circumstances and within the resources available, be recognised and involved in:
 - decisions related to sentence planning and management, rehabilitation and reintegration of the offender into the community
 - planning for participation by the offender in programmes, services and activities in the course of his or her sentence.
- The corrections system must ensure the fair treatment of prisoners, and offenders who are the subject of community-based sentences, released on home detention, or released on conditions under the Parole Act 2002 or the Sentencing Act 2002, by:

¹ The purpose and principles of the corrections system are subject to confirmation by the passage of the Corrections Bill, currently before Parliament.

- providing those persons with information about the rules, obligations, and entitlements that affect them
- ensuring that decisions about those persons are taken in a fair and reasonable way and that those persons have access to an effective complaints procedure.
- Sentences and orders must not be administered more restrictively than is necessary to ensure the maintenance of the law and safety of the public, corrections staff, and persons under control or supervision.
- Offenders must, so far as is reasonable and practicable in the circumstances within the resources available, be given access to activities that may contribute to their rehabilitation and reintegration into the community.
- Contact between offenders and their families must be encouraged and supported so far as is reasonable and practicable in the circumstances, and to the extent that this contact is consistent with safety and security requirements.

STRATEGIC DIRECTION

The Department's strategic direction is consistent with both the Key Government Goals and the Justice Sector Outcomes. The Department's strategic direction centres on a primary outcome of Safer Communities supported by the achievement of the two secondary outcomes of Protecting the Public and Reducing Re-offending.



The Department contributes to **Protecting the Public** by:

- providing a safe environment for staff and the public
- managing offenders in a safe, secure and humane manner
- ensuring appropriate compliance with, and administration of, sentences and orders
- providing information to the judiciary to inform the sentencing process and release conditions
- supporting reparation to the community.

The Department contributes to **Reducing Re-offending** by:

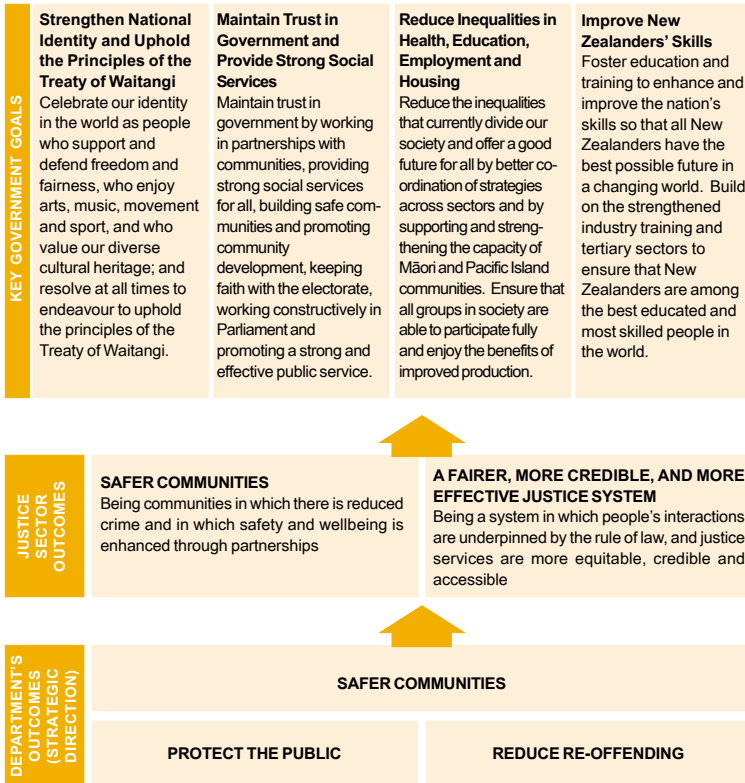
changing offending behaviour by providing targeted rehabilitative and reintegrative initiatives. To do this the Department will supply:

- a risk and needs assessment for offenders to determine how best to address offending behaviour
- programmes to encourage offenders to address their offender behaviour

- programmes to address offenders' offence-related needs
- education
- training
- work experience
- assistance with accessing community services so that offenders can be successfully integrated back into society

and thereby provide offenders with the opportunity to positively participate in society.

The relationship between the Department's strategic direction, the Justice Sector Outcomes, and the Key Government Goals is shown in the following diagram.



Environmental Context

DEMOGRAPHIC TRENDS

New Zealand's population is expected to steadily increase over the coming decades, rising to just over 4.5 million by 2021. The population will also get steadily older with the median age increasing from 35 to 40 by 2021. These changes will not be uniform and will vary from region to region and across different ethnic groups with:

- 88 percent of all population growth occurring in the four northernmost regions (Northland, Auckland, Waikato and Bay of Plenty)
- Māori and Pacific peoples' population growth rates being significantly higher than most of the rest of the population
- Māori and Pacific peoples' population getting steadily older, with the median age for both still being significantly less than for the rest of the population.

SENTENCING TRENDS

New Zealand has a higher rate of imprisonment per 100,000 of population than other comparable countries as can be seen from the following table.

New Zealand	Canada	Australia	England/Wales	Scotland
149	116	110	129	122

While the impact of new sentencing legislation has not been fully quantified, it is expected that current rates of imprisonment will continue, if not increase, in the medium term.

RE-OFFENDING AND RE-IMPRISONMENT

There is a strong connection between rates of re-offending and rates of imprisonment.

The census of prison inmates carried out in November 2001 showed that for male sentenced inmates, 20 percent had no previous criminal convictions, 51 percent had at least six convictions and 9 percent had over 20 convictions. The corresponding percentages for female inmates were 35 percent, 39 percent and 8 percent. 60 percent of male and 41 percent of female inmates had served a previous custodial sentence.

For males sentenced to community sentences, 26 percent had no previous criminal convictions, 52 percent had at least six previous convictions and 24 percent had more than 20 previous convictions.

The Department's Recidivism Index quantifies the rate of re-offending over a specified period following an offender's release from a custodial or community-based sentence.

It has been calculated that re-offending by those in the highest-risk group is likely to cost an average of \$500,000 per offender over a five-year follow-up period.

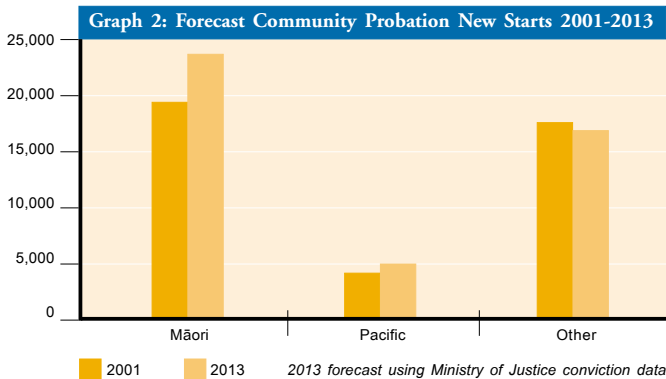
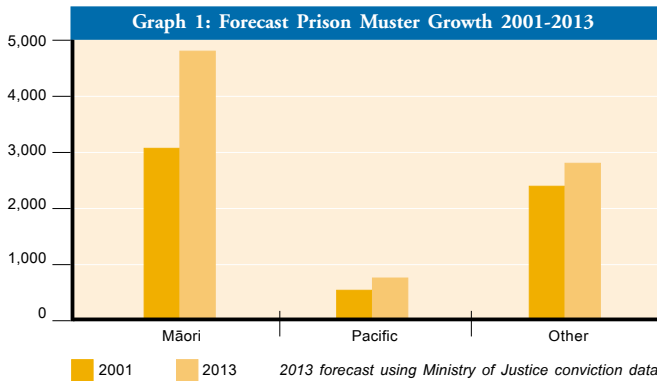
ETHNICITY

Māori and Pacific peoples are disproportionately represented in the criminal justice system and, therefore in the offender groups that the Department manages. This trend is expected to continue as a result of the high proportions of Māori and Pacific peoples in the 15-to-24-year-old age range, which is the group that statistics indicate is most likely to offend.

Over the next decade, the number of offenders of Māori and Pacific peoples' is projected to increase disproportionately in both custodial and community-based sentences.

By 2013, Public Prisons Service musters are forecast to grow by 1,693 for Māori, 332 for Pacific peoples and 426 for other groups.

By 2013, Community Probation Service new starts are forecast to grow by 4,349 for Māori and 1,270 for Pacific peoples but decline by 303 for other groups.



GENDER

The great majority of offenders managed by the Department are male; 95 percent of all prison inmates and 80 percent of those serving community-based sentences are male.

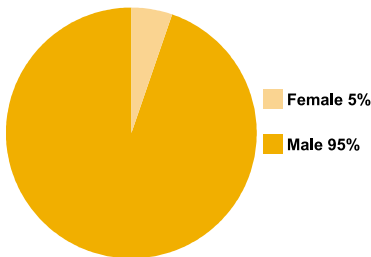
While it is projected that the number of female offenders will increase significantly over the next decade (41 percent more female inmates and 13 percent more females on community-based sentences), the overall ratio between male and female offenders will remain approximately the same.

Any increases in female offending, however, raise particular issues, especially in terms of the facilities and services required, and the impact increased offending may have upon dependant children.

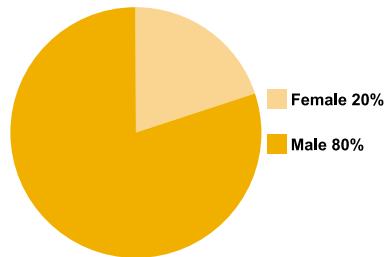
As at 30 June 2003, there were 6,115 inmates being managed in the Public Prisons Service and the Auckland Central Remand Prison. Of that total 320 were female and 5,795 were male. Graph 3 shows the proportion of male and female inmates as at 30 June 2003. As in previous years, the number of male offenders outnumbered female offenders.

Graph 4 shows that for offenders serving a community-based sentence, males also outnumbered females, but to a lesser extent.

**Graph 3: Prison Inmates
by Gender**



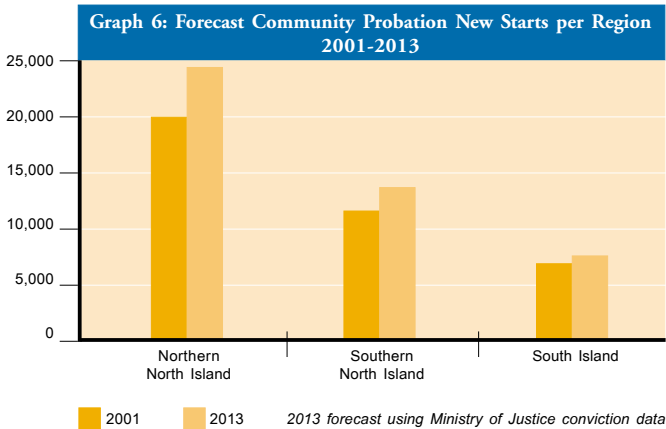
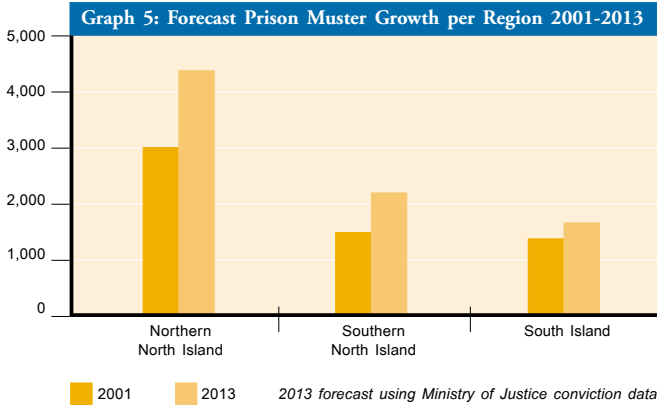
**Graph 4: Community Probation
Offenders by Gender**



REGIONAL TRENDS

Trends in offending by region are expected to reflect overall trends in population growth. This, in turn, will be reflected in regional prison musters and community sentence numbers, with most growth occurring in the northern part of the North Island.

While the impact of the new sentencing legislation has not been fully quantified it is expected that by 2013, Public Prisons Service musters are forecast to grow by 2,071 in the North Island and 379 in the South Island. By 2013, Community Probation Service new starts are forecast to grow by 4,999 in the North Island and 316 in the South Island.



YOUNG OFFENDERS

The age at which offenders first enter the justice system is significant. The census of prison inmates conducted in 2001 showed that 62 percent of male and 53 percent of female inmates received their first conviction between the ages of 14 and 19 years.

An analysis carried out in November 2001 of offenders on community-based sentences showed 58 percent of male offenders and 36 percent of female offenders had their first conviction when aged 19 years or younger, and nearly half the offenders were younger than 30 years old.

Offender forecasts show increases of 62 percent by the year 2013 for prison inmates aged 15-24 years, and a 23 percent increase for offenders in the same age group starting a community-based sentence.

Studies have shown that during a lifetime of offending the average chronic offender will cost taxpayers and victims more than \$3 million, while the most chronic and serious adult offenders will cost more than \$5 million. Consequently, successful rehabilitation of high-risk, young offenders, which "shuts down" a lifetime of offending, has the potential to return greater social and fiscal benefits than any other area of investment in rehabilitation.

DRUGS AND ALCOHOL

The negative effects of drugs and alcohol have been shown to be closely related to crime and are proven to be a significant factor in further re-offending.

For many offenders, abuse of drugs and/or alcohol is a significant factor in the sequence of events leading to the commission of an offence. Assessments undertaken by the Department have revealed that the use of alcohol and drugs was a significant factor in the offending of 73 percent of inmates sentenced to prison, and 61 percent of offenders serving community-based sentences.

VIOLENCE

There was a 55 percent growth in the number of convictions for violent offences between 1991 and 2001. Violence is now the second most prevalent offence of reconviction and re-imprisonment (behind property offences) and an increasing cause of public concern.

The 2001 census of prison inmates showed that:

- 62 percent of male sentenced inmates and 46 percent of female sentenced inmates were in prison for violent offences
- robbery, grievous assault and homicide were the most common type of violent offences committed
- 36 percent of male offenders and 11 percent of female offenders sentenced for a violent offence had been previously convicted of a violent offence.

An analysis in 2001 of offenders on community-based sentences showed that 24 percent of male offenders and 15 percent of female offenders had been previously convicted of a violent offence.

Progress since 1995

INTRODUCTION

In 1995, the Department of Corrections inherited an organisation lacking effective processes, systems, sufficient management capability and adequate infrastructure. The Department was therefore immediately faced with the need to address basic infrastructure and capability defects and cope with projected increases in offender numbers.

Through a continued focus on addressing issues related to organisational development and operational delivery of its core business, the Department has made significant progress. There has also been a strong emphasis on developing new ways to increase our effectiveness in reducing re-offending.

With the immediate priority on addressing basic defects the Department also identified a need to establish a framework for the longer-term achievements expected of the corrections system by the Government and the people of New Zealand.

Since 1995, the Department has passed through a sustained period of change. Some key areas of change have included:

- development and implementation of a new integrated way of managing offenders through the corrections system. This has impacted on all parts of the Department and has fundamentally changed the way the Department undertakes its core business, allowing it to make a stronger contribution towards reducing re-offending
- development and implementation of an integrated offender management computer system and a number of other operational and business systems improvements to ensure the Department is able to operate efficiently and effectively
- addressing of deferred maintenance issues in prisons, provision of more suitable accommodation for the Community Probation Service, and continuation of work to ensure that appropriate facilities exist in time to meet forecast increases in the inmate population
- undertaking initiatives to enhance the overall capability of managers and staff.

A NEW APPROACH TO MANAGING OFFENDERS

Since 1995 the Department has developed and implemented an integrated approach to the way that offenders are managed across all sentence types, lengths and locations.

This integrated approach represents a new way of assessing an offender's risk of re-offending and their particular criminogenic needs. For high-risk offenders it seeks to match needs with interventions that focus on rehabilitation or, for low-risk offenders, reintegration into the community.

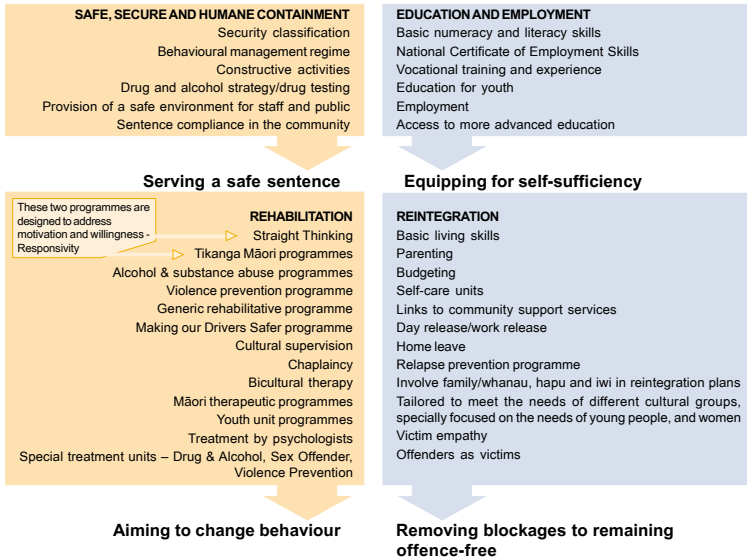
As a first step many offenders may also need some assistance to motivate them to address their offending behaviour. In such cases the initial focus will be on either a cognitive-based programme and/or a tikanga-based programme. Should there be a consequent change in motivation the offender may go on to have interventions targeted at their criminogenic needs as they relate to the cause of their offending.

The process an offender is likely to move through when in the care of the Department is best represented by the following diagram.



The design of the interventions and associated business rules has been based on studies of “what works with offenders” both internationally and over time in New Zealand² and takes into account the New Zealand environment, nature and characteristics of the offending population in this country.

Offenders, depending on their risk status and criminogenic needs, will receive interventions from the range outlined in the following diagram.



² The principles of the psychology of criminal conduct are found in Andrews and Bonta, *The Psychology of Criminal Conduct*, (3rd Edition), 2003. The New Zealand experience is reported in the departmental publications *Let there be Light, When the Bough Breaks, Montgomery House Evaluation and Driving Offender Treatment Programme Evaluation*.

IMPLEMENTATION OF NEW TECHNOLOGY

On establishment, in October 1995, the Department became responsible for its own information technology (IT) resources. A three-month review immediately confirmed that the IT systems inherited by Corrections from the Department of Justice constituted a platform in crisis.

The IT systems were unreliable, contained poor information and provided little support to enhance business capability or capacity. The existing IT systems did not match the then current business needs, and there was no IT direction to align IT systems to future needs. The loss to the business from these failings was significant and the hurdles to addressing them were high. The IT costs at the time were, however, low, although this meant a very small funding base was available for improvements to be made.

The key business information systems typical of large organisations were missing or wholly inadequate. As a result, departmental planning and reporting to management, central agencies and government required major improvement.

The IT environment was lacking strategic direction and there was no alignment of IT systems to business requirements. This prohibited effective capital planning and efficient resourcing based upon long-term cost controls and assurance of spending. While remedial action consumed substantial IT resources in the first 12 months, this period was also significant in producing a clear blueprint for the way forward through the development of an IT strategy and delivery of systems aligned to the Department's strategic objectives and business direction, based on a prioritised list of projects.

The approach to the 1997-2000 Information Technology Strategy was based on business requirements driving the IT deliverables to be implemented using an incremental approach. Given the inadequacies of the inherited systems, the initial business focus was primarily driven by a need to gain efficiencies and effectiveness for current business processes, and to address base requirements. The strategy also detailed an IT investment strategy to provide effective capital planning and long-term cost controls through identification of high-level costs, risks and benefits of IT investment proposals.

Outdated, stand-alone systems were replaced with a modern, integrated technology platform built around new core business systems; these systems became the building blocks for more advanced information management and analytical tools.

Key building blocks were the:

- implementation of a technology platform based on Wide Area Network (WAN), Local Area Networks (LANs), desktop hardware and software, and a voice telecommunications network
- upgrading of the Department's application architecture with new, integrated applications better suited to the Department's specific business requirements, with particular emphasis on an Integrated Offender Management System (IOMS). IOMS replaced existing applications with a system that was fully integrated and supported the management of offenders irrespective of service, location or frequency of contact.

In the 2000-2003 Information Technology Strategy, the focus moved to enhancing the building block projects from the first strategy; better aligning business systems with future business and strategic requirements; maximising the use and management of information; increasing the skill levels of staff in the IT area; and integrating systems information between systems and from trusted external sources.

There was also a focus on bedding down the current systems and consolidating the gains that had been achieved through the implementation of new technology.

A primary target during the 2000-2003 period was to enhance IOMS to enable and support the new business processes arising from the development and implementation of the Department's new approach to offender management, and to enhance IOMS to enable and support the Department's approach to offender management and efforts to reduce re-offending.

This management approach integrates induction, assessment, offender management and reintegrative services into a single, seamless process for each offender – regardless of sentence type or service provider.

During this period, IOMS was also modified as a result of the introduction of the Sentencing, Parole and Victims' Rights Acts in 2002. The new legislation required significant changes to business processes across the Department within a very short time-frame and generated a significant workload for IT. It also resulted in some improvements to IOMS already planned being delayed until the new legislative requirements were implemented.

Information Technology Systems in Corrections in 2003

As a result of the successful execution of the strategies outlined above, Corrections has developed an IT environment that supports the Department's business processes and objectives. Features of the environment include:

- a nationwide computer system utilising LAN/WAN and thin client technology based on 100+ servers. This provides users with access to office and application systems delivered through 3,700 desktop workstations located from Invercargill to Kaitiaki
- a portfolio of application systems covering:
 - offender management (IOMS)
 - financial and management information (SAP Financial Management System)
 - property management (TMA)
 - human resources and payroll management systems (Leader as at 2003, SAP HR/Payroll is being implemented)
 - internet/intranet
- a telephone system that provides desk-to-desk dialling from over 3,500 phones located throughout the country. The system is managed by Telecom, under a facilities management and corporate discount contract, which ensures performance, manageability and cost control.

The Department is now moving from a period of rapid IT development to one of consolidation, continuous improvement and incremental cost-effective change.

FACILITIES AND INFRASTRUCTURE

The Department's physical infrastructure, and the management systems required to operate it, have been significantly overhauled in the past eight years. This has occurred at a time when the prison population has grown rapidly, necessitating considerable new prison construction. It is also the result of a more policy-driven approach being adopted regarding the location and design of correctional facilities, and the Government's approval of a regional prisons policy.

Features of this approach include decisions on: the optimal size of prison facilities; placement of the majority of inmates within two hours of their family/whanau and support networks; and location of prisons as close as practicable to urban centres (for resourcing) but away from intensive residential housing.

The Department is also moving to align facilities with the needs of different groups of inmates and is taking advantage of improvements in facility design to improve offender management.

In recent years, the Department has made substantial progress in its facilities and infrastructure development. This includes:

- co-locating all Community Probation Service properties to improve offender management
- opening Auckland Central Remand Prison (ACRP) in 2000, housing 299 male inmates
- beginning a 10-year, \$500 million project to provide 1,220 new male prison beds in Northland, Spring Hill and Otago, and a new 150-bed women's facility in Auckland
- constructing over 1,500 new prison cells to cater for increases in the prison population since 1995
- introducing specialist facilities such as youth units, treatment units, Māori focus units, safe cells and self-care units
- upgrading security at all sites
- making significant inroads into deferred maintenance problems in prisons, including the closure of some older facilities
- introducing a planned maintenance system
- developing standards for all facilities.

HUMAN RESOURCE MANAGEMENT

When the Department was established in October 1995, it was recognised that investment in human capital had been historically low, and consequently there were gaps in policy, procedures and systems for managing and developing managers and staff. Many of these basic gaps have been addressed and the challenge now is to focus more directly and proactively on ensuring the organisation has the capability to move forward.

The Department's first Human Resource Strategy (from 1996 through to mid 2000) focused on supporting the organisation through its establishment phase with a particular emphasis on putting in place basic policies, procedures and systems.

This was followed from July 2000 by the Department's second Human Resource Strategy that supported a period of ambitious change brought about by the introduction of a new approach to managing offenders, the business processes that gave effect to this, and a suite of strategic initiatives that were designed to support the Department's direction of reducing re-offending.

Achievements throughout the period have included:

- establishing a complete human resources policy and procedure framework
- implementation of a new code of conduct, with a subsequent update

- implementing new remuneration policy linked to performance for managers, head office staff, and Psychological Service
- introduction for managers of 360-degree feedback processes to support training and development planning
- new management structures across all business services and head office
- completion of successive bargaining strategies, which have positioned the Department to implement competency-based remuneration structures for all staff and provided a platform for increased efficiency
- placement of all managers, head office staff and some field specialist staff on individual employment agreements
- implemented a new competency-based career structure and NZQA-linked offender management qualification for corrections officers
- extensive investment in training and development for front-line staff targeted at initiatives to reduce re-offending
- targeted initiatives for identification and development of new managers via a "Future Leaders" programme that has now had four intakes and generated over 200 applications
- investing in maintenance of middle management capability by putting 300 managers through a five-day leadership in action management training programme
- a range of responsiveness initiatives to improve the representation of Māori and Pacific peoples in management
- completion of the first phase of a Māori language strategy, with progress made on staff receiving te reo training, and training on tikanga Māori provided to staff working in the Department's Māori focus units
- completion of the design and development phases of a Professional Ethics project in the Public Prisons Service that aims to create a culture that defines, teaches, recognises and supports professional and ethical standards of behaviour amongst its workforce. Implementation of the project has commenced
- a continued focus on health and safety initiatives to reduce the level of workplace injury and accidents and ensure compliance with Health and Safety legislation. The Department has been awarded "primary" membership of the ACC Partnership Programme
- introduction of a new set of procedures on protected disclosures ahead of implementation of the Protected Disclosures Act 2000, which came into force from 1 January 2001.

The Department has progressed these initiatives over a relatively short time. The focus of its third Human Resources Management Strategy 2003-2008 is on building the organisational culture and capability to consolidate this progress and to move from a period of ambitious change to one of continuous improvement.

Outcome *Measurement*

Measurement of progress made towards the achievement of objectives can be difficult, because outcomes are often influenced by factors beyond an individual agency's control. The Department has, however, developed a set of measures, based on data collected through its offender management processes and similar information obtained from corrections agencies in other countries, which enable comparisons to be made. These measures provide a good starting point for assessing the Department's contribution to its particular outcomes of Protecting the Public and Reducing Re-offending. This will in turn indicate the Department's contribution to the justice sector outcome of Safer Communities and, through this, to the Government's key goals.

Progress towards the outcome of Protecting the Public will, primarily, be measured through analysis of data collected across a range of efficiency and quality measures designed to ensure offenders are being managed in a safe, secure and humane manner. These include:

- ensuring appropriate compliance with, and the administration of, sentences and orders
- the number of escapes that occur from prisons and while under escort or supervision
- the number and severity of incidents, including deaths in custody.

The following graphs show the significant progress that has been made in recent years towards improving the Department's performance in a number of key areas. The information is also presented as international comparisons. The Department uses international benchmarking to compare its performance across a range of commonly used service delivery indicators. To achieve this, close working relationships have been developed with some overseas jurisdictions. Information is exchanged with Australia, Canada, England/Wales and Scotland.

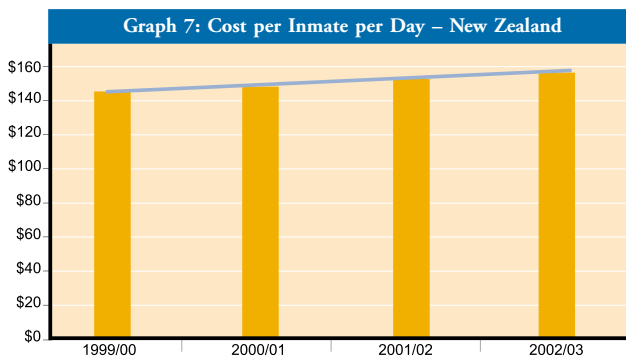
In making these comparisons, the Department makes an assessment of the comparability of the data in question. Where there is high comparability, the jurisdictions have similar business operations, definitions and counting rules, allowing benchmarking with no adjustments. Where there is medium comparability, the jurisdictions have similar business operations, but some minor inconsistencies in definitions and counting, so providing a reasonable benchmark comparison, although one that may require some small adjustments to data and counting. Where there is low comparability, the jurisdictions again have similar operations but different definitions and counting rules, so adjustments would be required before true benchmark comparisons could be made. Such adjustments have not been made to the data reported here, with the exception of the cost per inmate per day.

EFFICIENCY INDICATORS

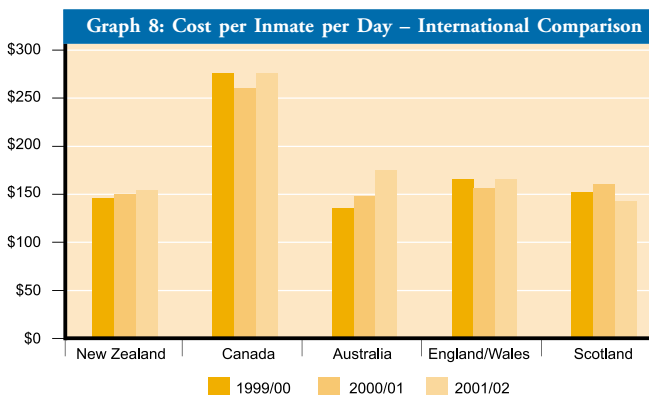
This range of indicators demonstrates the efficient nature of resource management in the Department and in comparison with other benchmarked jurisdictions.

Cost per Inmate per Day

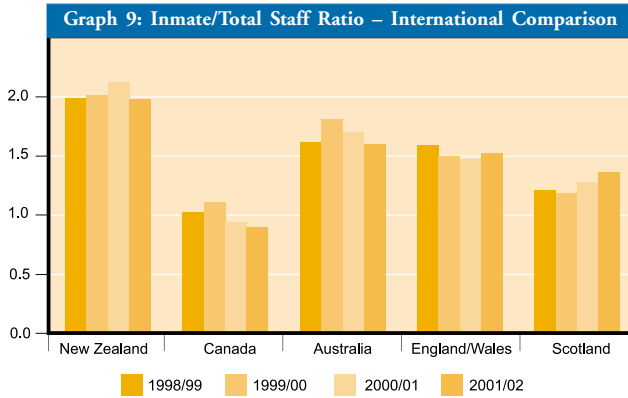
One component in determining the performance of the corrections system is an assessment on the basis of what it costs to secure an inmate.



The graph above shows a slight trend of increasing costs for New Zealand prisons driven mainly by increases in salaries. Efficiency savings have allowed costs to be largely contained, despite more intensive methods of managing offenders and the introduction of a range of new programmes. Comparisons between jurisdictions are shown below, based on the average daily cost per inmate using the Economist Annual Comparison Index. The latest international data demonstrates that New Zealand is receiving good value for the service provided. New Zealand costs are lower than the other jurisdictions benchmarked, with the exception of Scotland.

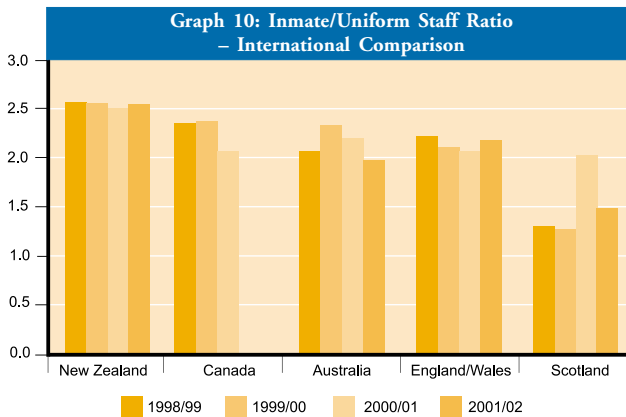


Inmate/Total Staff Ratio



New Zealand’s ratio of inmates to total staff exceeds that of the international jurisdictions tested. In New Zealand, there was an average of two inmates to one staff between 1998/99 and 2001/02. Comparability with Canada and Scotland is low; and is medium with Australia and England/Wales.

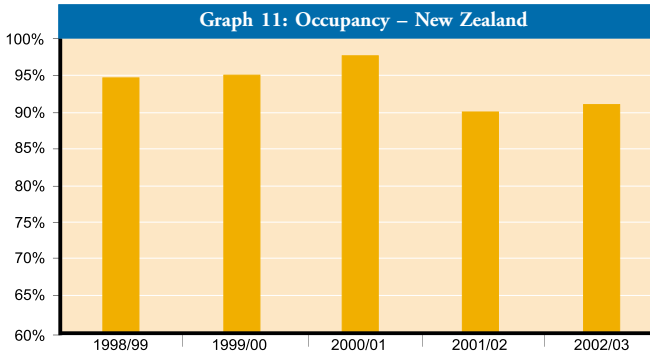
Inmate/Uniform Staff Ratio



NB – Data not available for Canada 2001/02

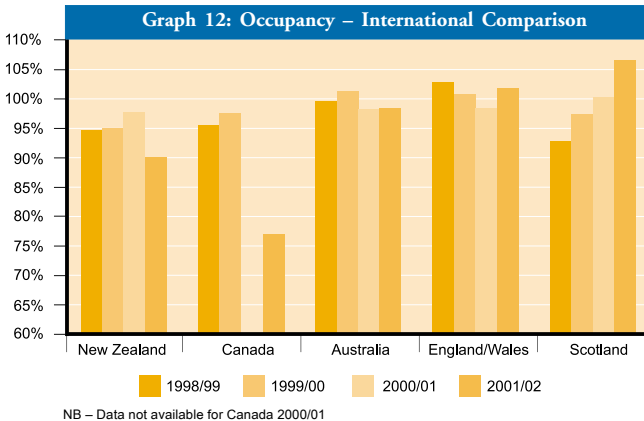
The ratio of inmates to full-time equivalent uniformed staff identifies the level of staff supervision available. This graph compares the ratio of inmates to full-time equivalent staff across jurisdictions. The comparison shows that New Zealand’s ratio of inmates to uniform staff has historically exceeded that of other jurisdictions.

Occupancy



This calculation of prison occupancy is based on the number of available (permanent) prison beds and the average prison population for the year. New Zealand's occupancy rate will fluctuate over time, as new prison facilities are developed to cater for the projected increases in inmate numbers. Average occupancy is at a more acceptable level of 91 percent for 2002/03 after having peaked at over 97 percent.

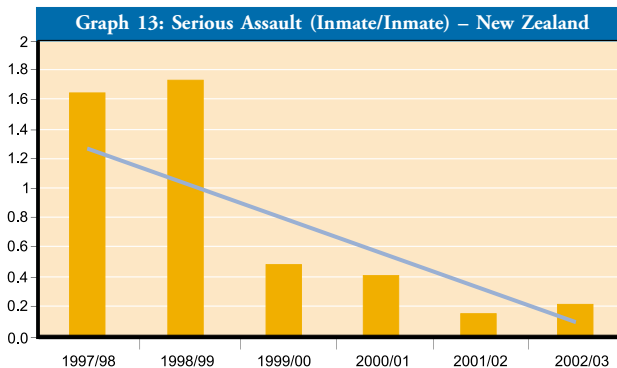
The optimum rate of prison utilisation is considered to be between 85 and 95 percent, to allow for special accommodation, separate security levels and short-term fluctuations. New Zealand's occupancy rate is significantly lower than the occupancy rates achieved in other jurisdictions, as shown below. The comparability of this measure is assessed as being medium to low.



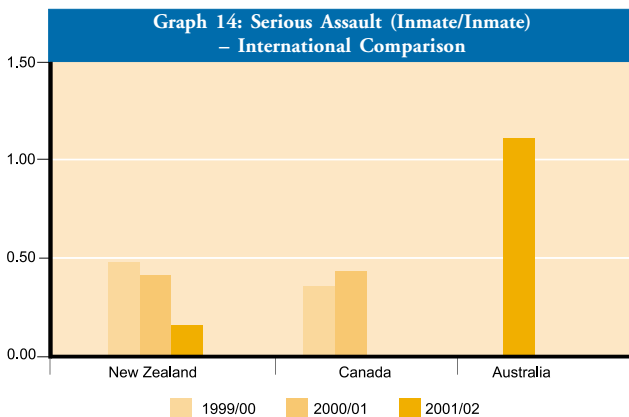
QUALITY INDICATORS

Quality indicators measure prison management and the health and safe containment of inmates. This includes the provision of interventions which address the causes of offending and support successful reintegration into the community.

Inmate/Inmate Assault (Serious)

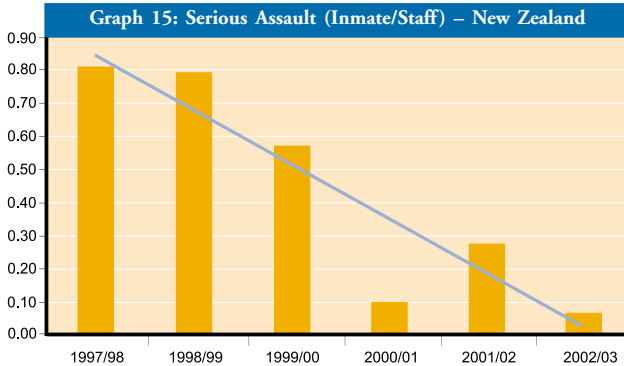


Graph 13 shows the number of serious inmate/inmate assaults per 100 inmates. A serious assault is defined as one where the victim requires overnight hospitalisation or ongoing medical intervention. There has been a steep decline in the number of serious assaults reported in New Zealand prisons. Internationally, as shown below, New Zealand has a rate of serious assaults comparable to Canada but lower than Australia. These comparisons have some limitations due to different counting rules applying in different jurisdictions. Data from England/Wales and Scotland are not presented here due to low comparability.



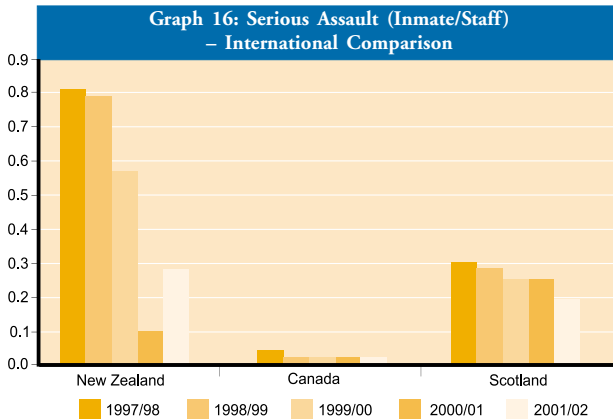
Inmate/Staff Assault (Serious)

Serious assaults by inmates on staff are those where the victim requires overnight hospitalisation or ongoing medical intervention.



The rate of serious assault (Inmate/Staff) is reported per 100 inmates. There were only two serious assaults on staff in 2002/03, and the overall trend has been a decreasing one.

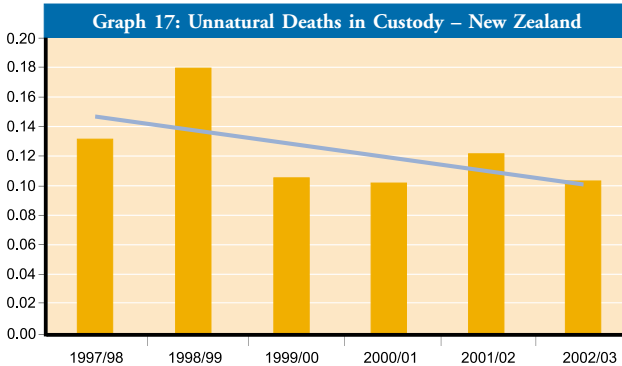
Internationally, New Zealand's low rate of serious inmate/staff assault is consistent with most other jurisdictions, although the comparability of this data is low. Canada, for example, only reports assaults that result in serious bodily harm. Scotland reports serious assaults as those where the victim requires hospitalisation or medical treatment.



DEATHS IN CUSTODY

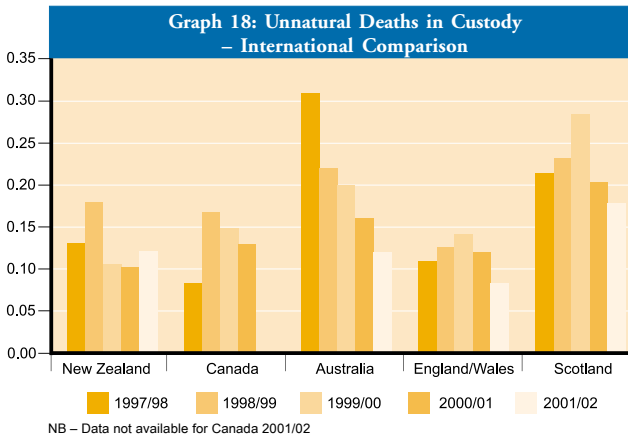
The corrections system has to deal with a high proportion of people with a propensity to self-harm in prison. Deaths in custody are regrettable and are a serious matter subject to independent investigation.

Unnatural Deaths in Custody



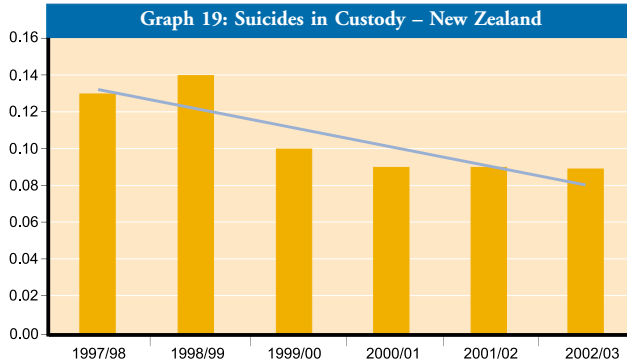
Unnatural deaths, which include suicides, homicides, death by drug overdose and death by accident are reported here per 100 inmates. Recent trends in this area in the New Zealand corrections system remain positive. In the 2002/03 year there were 14 deaths in custody, including five assumed suicides and one assumed homicide. The number of assumed suicides is comparable to past years.

New Zealand's unnatural death rate per 100 inmates is currently less than Scotland and similar to that of Australia. It is higher than that of England/Wales for the first time in two years. Canada did not report unnatural deaths for 2001/02. Comparability with Australia and England/Wales is high, and medium with Canada and Scotland.



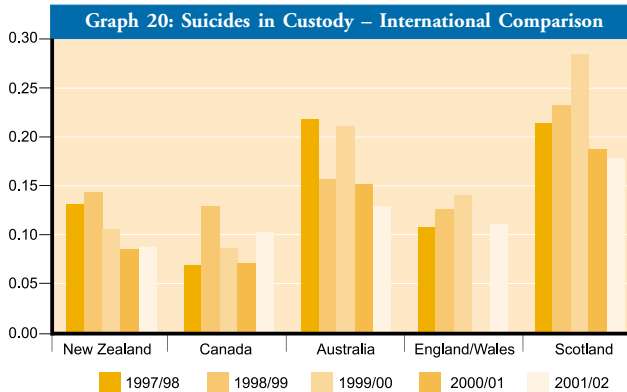
Suicides in Custody

Inmate suicide reduction continues to be a key priority of the Department.



This graph reports the trend in the number of suicides per 100 inmates. Over the last four years the overall rate of suicides has remained relatively low. The Department has robust procedures in place to recognise and manage inmates assessed as being "at risk".

Generally, New Zealand's rate of suicides in prisons is consistent with other similar jurisdictions such as Canada, Australia and England/Wales. New Zealand's rate of inmate suicide is approximately half Scotland's, yet each jurisdiction has similar-sized inmate populations.

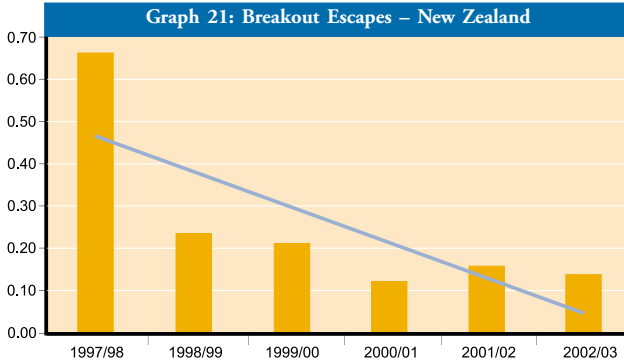


NB – Data not available for England/Wales 2000/01

ESCAPES FROM PRISON

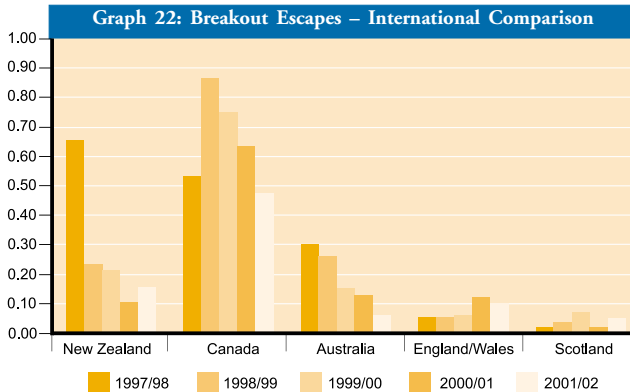
The total number of inmate escapes in New Zealand against all security classifications in 2002/03 was 30, against an expected performance standard in 2002/03 of 62 escapes.

Breakout Escapes from Prison



Graph 21 shows the trend in breakout escapes per 100 inmates. Of the 30 escapes for 2002/03, there were a total of eight breakout escapes. This compares with nine breakout escapes in 2001/02.

New Zealand has a similar rate of breakout escapes to that of England/Wales. Scotland and Australia have broadly similar rates. Canada's rates over the last four years have been more than double New Zealand's. Australia is the only jurisdiction where escape rates have decreased over the last five years. This data is of medium comparability with Canada and Scotland and of low comparability with Australia and England/Wales.



Strategy to Reduce the Use of Drugs and Alcohol in Prisons

During the course of the 2002/03 year, the Department continued its strategy to reduce drug and alcohol use in prisons. The strategy recognises that a large proportion of inmates have drug and alcohol problems. These problems are often a significant factor in their offending behaviour. Drug use in prison perpetuates the dependency problems and the illegal lifestyles of inmates. It also creates problems for their relatives and friends (such as the pressure to supply drugs) and for prison staff in the management and rehabilitation of inmates.

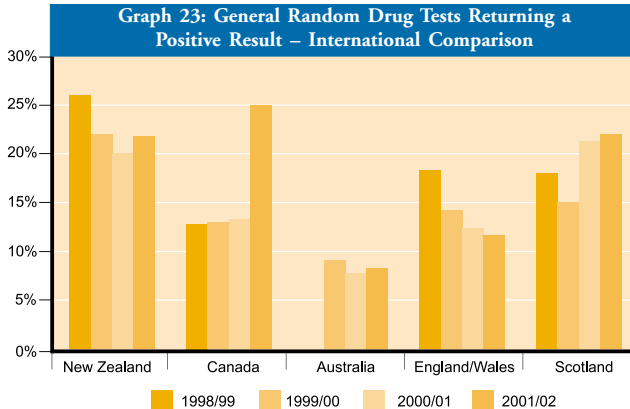
The Department's drug strategy is designed to reduce the demand for drugs, the supply of drugs into prison, and the harm caused by drug abuse. The three main methods to achieve these aims are:

- measures to deter inmates from using drugs (both sanctions and incentives)
- improved detection of drugs
- treatment of those with drug problems.

The strategy is supported by drug testing of inmates and strict detection procedures. Drug detection dogs are regularly used at visitor checkpoints, and for random searches of prison buildings and land. Anyone found bringing drugs into a prison is banned from visiting the prison.

Total positive results for the year ended 30 June 2003 are an improvement on previous years. Full results of random and other drug screening tests are reported on page 98. Of the total positive results to general random drug tests in 2002/03, 95 percent were positive results for cannabinoids, with a further 5 percent positive results for other drugs.

An international comparison of random drug-testing results is shown below. The comparability of drug-testing results between jurisdictions is regarded as low. Although drug-testing practice is similar, there are differences between jurisdictions in the percentages of inmates randomly tested, the treatment of refusals and the length of time inmates must serve before being available for random testing.

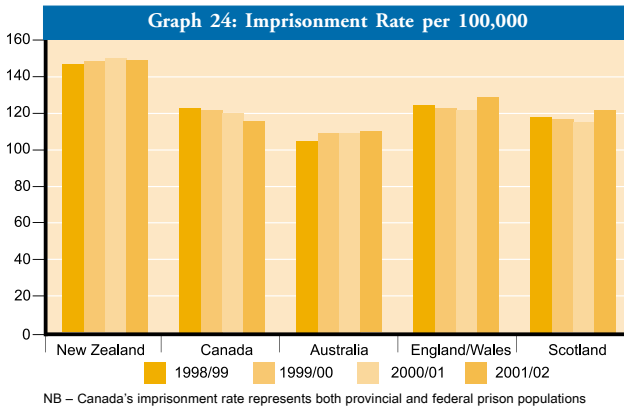


EFFECTIVENESS INDICATORS

These indicators measure the extent to which the Department’s objectives have been met.

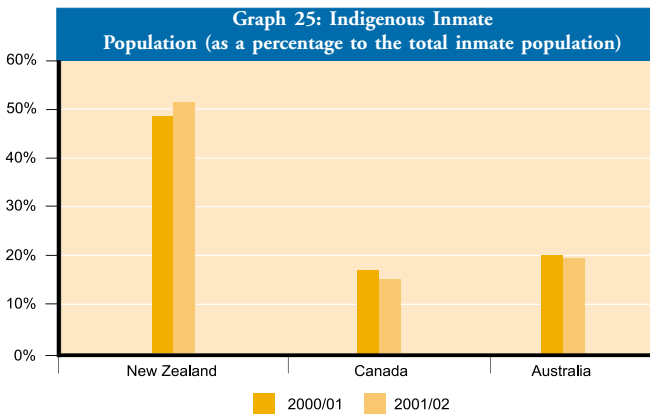
Imprisonment Rate

The imprisonment rate identifies the number of people imprisoned per 100,000 of the national population. This is an indication of the extent to which prison is used as a sentencing option by the judiciary. New Zealand has the highest rate compared with other benchmarked jurisdictions.



Indigenous Inmate Population

Currently New Zealand Māori make up a large percentage of the inmate population. The Department has in place a number of initiatives to improve the wellness and wellbeing of Māori and thereby reduce the incidence of re-offending by Māori. These are outlined on pages 104 to 116 of this report.



MEASURING OUR CONTRIBUTION TOWARDS REDUCING RE-OFFENDING

Progress towards the outcome of Reducing Re-offending is assessed through the use of two measures, the Recidivism Index and the Rehabilitation Quotient.

Recidivism Index

The Recidivism Index (RI) quantifies the rate of re-offending of a specified group of offenders over a defined follow-up period (currently 12 months) following release from a custodial sentence or commencement of a community-based sentence. The RI method is based on internationally used definitions of re-offending applied to sentences/orders administered by the Department of Corrections.

The RI comes in two forms – imprisonment or reconviction to a sentence administered by the Department. Imprisonment gives a good indication of the seriousness of recidivism and costs to the Department, the criminal justice system and society more generally. However, since the majority of reconvictions do not lead to imprisonment, imprisonment statistics provide an incomplete measure of recidivism; reconviction to any sentence administered by the Department is also measured. However, reconviction can sometimes overstate the risks associated with re-offending because many reconvictions are for minor offences.

RI Between Groups

The RI is reported for multiple categories of offenders. In New Zealand there was significant variation in re-offending rates between sentence, offence and demographic groups. The tables provide re-offending rates measured over 12 and 24 months, for the 2000/01 and 2001/02 years.

Notable features for those released from an imprisonment sentence over 12 months follow.

- Males were re-imprisoned at a significantly higher rate than females (11 percent for females and 25 percent for males) and reconviction rates for offenders released from prison were also higher for males (41 percent and 28 percent respectively). Re-imprisonment rates reduce steadily as offenders age, and vary markedly between offence classes (dishonesty offenders having the highest, sex offenders having the lowest).
- Re-imprisonment rates were highest for inmates released from high-medium security classifications (35 percent), but were lower for inmates released from minimum security (20 percent).
- The re-imprisonment and reconviction rates for Pacific peoples (15 percent and 32 percent respectively) and Europeans (21 percent and 36 percent) were lower than those for Māori (27 percent and 44 percent).
- As the sentence length increases, there is a drop off in the rate of re-imprisonment and reconviction. Offenders with sentence lengths between one and two years were re-imprisoned at a significantly higher rate than offenders with a sentence length greater than five years (25 percent and 7 percent respectively).
- As the seriousness of the offence (for which the person has been detained in the corrections system) increases above medium, there is a drop off in the rate of re-imprisonment and reconviction. Medium seriousness score (eg, dishonesty, burglary) offenders were re-imprisoned at a higher rate than offenders with a very high seriousness score (33 percent and 20 percent respectively).

Offenders on community-based sentences had significantly lower imprisonment and reconviction rates than offenders released from prison. The reconviction rate for those who served a periodic detention sentence (37 percent) was much higher than that of offenders who completed a community service sentence (19 percent).

Significant work (as outlined on page 40 of this report) was required to be undertaken during the year by the Department to implement and 'bed in' in new systems and processes associated with the introduction of the new sentencing reforms, which impacted on the delivery of rehabilitative programmes. This combined with changes to the overall number of offenders serving community-based sentences may affect the Recidivism Index in future years.

The Department's improved methodology means that last years results have been revised as outlined in the following tables.

Table 2: Rates of Reconviction and Re-imprisonment

Release Period	From Prison		From Community Sentence	
	reconvicted %	re-imprisoned %	reconvicted %	re-imprisoned %
1998/1999	59.0	37.4	47.4	19.6
1999/2000	60.2	37.9	46.7	19.3
2000/2001	55.1	34.6	45.1	18.6

Table 3: Recidivism Index – Offenders released from prison or starting CPS managed sentence any time during March 2002 year (12 months follow-up)³

Category	Group	Post prison release		Post CPS sentence start	
		Re-imprisoned %	Reconvicted %	Imprisoned %	Reconvicted %
All		23.4	39.7	11.8	32.9
Gender	Female	10.7	27.6	4.6	24.0
	Male	24.5	40.8	13.7	35.7
Ethnicity	European	21.1	35.9	10.4	31.9
	Māori	26.7	44.1	14.4	36.7
	Pacific peoples	15.2	32.2	9.0	28.4
	Other (incl. Asian)	16.3	26.1	7.4	25.5
Age at Release	<20 years	41.0	66.0	22.2	54.3
	20-24 years	29.7	49.7	15.7	41.3
	25-29 years	23.8	41.7	12.9	33.5
	30-39 years	20.6	33.8	11.6	29.9
	40+ years	13.0	22.1	6.6	19.7
Offence (Most serious for original sentence)	Dishonesty	37.0	55.3	17.3	42.5
	Property	33.8	48.6	18.3	45.6
	Admin	27.1	49.9	12.8	33.0
	Violence	19.8	37.6	10.9	31.9
	Traffic	17.5	32.2	7.2	25.6
	Drug & Antisocial	13.2	25.8	10.4	30.8
	Sexual	3.8	11.3	5.7	17.1
Community- based Sentence	Supervision			15.2	35.2
	Periodic Detention ⁴			13.6	36.9
	Community programme			11.4	26.0
	Community service			2.8	19.2
Custodial Sentence	Prison	23.1	39.2		
	Corrective training	38.1	69.1		
Inmate Security Classification at Release	Maximum Security	25.0	41.7		
	High-Medium	35.4	51.0		
	Low-Medium	32.2	48.5		
	Minimum	19.8	36.1		
Parole and Home Detention (Does not include all types of releases)	PB - discretionary	2.6	7.9		
	PB - mandatory	9.6	16.5		
	DPB - discretionary	19.3	33.0		
	DPB - mandatory	27.7	44.8		
	Home detention	7.1	21.0		
Sentence Length	<=6 months	26.1	44.8	13.2	36.6
	> 6 months to 1 year	23.0	40.4	9.9	28.5
	>1 to 2 years	25.0	40.6	16.9	36.2
	>2 to 3 years	25.1	37.6		
	>3 to 5 years	14.1	24.4		
	>5 years	7.2	16.7		
Offence Seriousness Score	Low (>0 to 30)	23.7	41.3	10.3	31.7
	Medium (>30 to 60)	33.2	53.6	19.1	42.8
	High (>60-120)	26.2	41.5	15.9	35.0
	Very high (>120)	19.5	34.5	15.3	35.3
All – 2000/01		25.1	43.5	12.9	37.4

³ Offence date used where available, otherwise charge date or sentence commencement date. Offences against justice are excluded for re-imprisonment and reconviction. PPS-managed offenders have release dates between 1 April 2001 and 31 March 2002. CPS-managed offenders included are those who began a community sentence at any time during the same period. A 12-month follow-up was applied to each offender.

⁴ It should be noted that with the introduction of the Sentencing Act 2002 the sentence of periodic detention no longer exists.

Table 4: Recidivism Index – Offenders released from prison or starting CPS managed sentence any time during March 2001 year (24 months follow-up)⁵

Category	Group	Post prison release		Post CPS sentence start	
		Re-imprisoned %	Reconvicted %	Imprisoned %	Reconvicted %
All		34.6	55.1	18.6	45.1
Gender	Female	19.2	41.9	8.8	34.5
	Male	36.0	56.3	21.7	49.3
Ethnicity	European	29.6	47.6	17.9	44.9
	Māori	39.8	62.3	23.3	53.3
	Pacific peoples	27.7	48.9	14.8	40.3
	Other (incl. Asian)	20.3	33.8	8.6	30.4
Age at Release	<20 years	55.3	77.7	30.9	64.9
	20-24 years	42.1	65.1	23.6	53.9
	25-29 years	37.2	59.5	20.1	49.3
	30-39 years	29.3	50.2	18.0	42.4
	40+ years	19.2	31.9	10.9	29.3
Offence (Most serious for original sentence)	Dishonesty	49.7	70.6	24.9	54.1
	Property	37.2	52.6	23.2	54.9
	Admin	37.6	62.4	19.8	44.8
	Violence	32.8	55.2	17.7	44.1
	Traffic	29.2	52.1	13.5	38.0
	Drug & Antisocial	20.9	38.3	16.5	43.5
	Sexual	10.7	17.3	13.3	29.8
Community- based Sentence	Supervision			23.3	49.5
	Periodic Detention ⁶			21.5	49.7
	Community programme			20.3	41.8
	Community service			5.1	27.7
Custodial Sentence	Prison	34.2	54.5		
	Corrective Training	49.8	78.1		
Inmate Security Classification at Release	Maximum Security	37.5	56.3		
	High-Medium	51.1	67.8		
	Low-Medium	45.3	67.6		
	Minimum	30.3	50.4		
Parole and Home Detention (Does not include all types of releases)	PB - discretionary	9.4	15.6		
	PB - mandatory	15.7	28.7		
	DPB - discretionary	31.7	48.5		
	DPB - mandatory	37.0	58.3		
	Home detention	12.1	29.0		
Sentence Length	<=6 months	36.6	60.1	20.9	49.0
	> 6 months to 1 year	35.2	56.7	15.7	40.4
	>1 to 2 years	38.2	56.1	27.6	53.5
	>2 to 3 years	29.7	47.4		
	>3 to 5 years	25.6	41.7		
	>5 years	18.2	29.8		
Offence Seriousness Score	Low (>0 to 30)	32.9	54.8	16.3	42.9
	Medium (>30 to 60)	43.6	64.2	24.4	52.2
	High (>60-120)	38.6	60.4	25.6	52.1
	Very high (>120)	31.6	49.9	24.4	49.3
All – 1999/00		37.9	60.2	19.3	46.7

⁵ Offence date used where available, otherwise charge date or sentence commencement date. Offences against justice are excluded for re-imprisonment and reconviction. PPS-managed offenders have release dates between 1 April 2000 and 31 March 2001. CPS-managed offenders included are those who began a community sentence at any time during the same period. A 24-month follow-up was applied to each offender.

⁶ It should be noted that with the introduction of the Sentencing Act 2002 the sentence of periodic detention no longer exists.

Rehabilitation Quotient

The purpose of the Rehabilitation Quotient is to measure the reduction in reconviction. It involves a comparison between a group receiving an intervention (treatment group) and a similar group that did not receive that intervention (control group).

This is measured by comparing the proportion of programme attendees who were reconvicted 12 months and 24 months after release, or completion of their community based programme, with the proportion of reconvictions in the control group.

In order to measure the Rehabilitation Quotient of a programme, every offender in the group must be carefully matched with one or more other offenders who did not receive rehabilitation so that a valid comparison can be made between the two groups. The two groups are then compared and the difference in subsequent reconviction is used to calculate the Rehabilitation Quotient and provides an indication of the effectiveness of the intervention. Offenders are matched on several factors including age, gender, ethnicity, estimated risk of re-offending, and service group (i.e. Public Prisons Service or Community Probation Service).

To date, significant amounts of variable information needed for matching rehabilitated offenders with their controls has not been available and where data is available, the number of cases is, in some cases, too low for statistical confidence.

Recognising this the Department is continuing work to refine the processes associated with the collection and recording of offender management data and improve analysis methodologies which over time should improve the likelihood that a valid Rehabilitation Quotient measure can be calculated for programmes and interventions.

Specialist treatment programmes such as those for violent offenders and sexual offenders against children require even more data, because offenders who complete the programmes must be matched against an equivalent group of offenders who did not receive rehabilitation and meet all of the criteria above and who committed a similar offence. The Department has not been able to report Rehabilitation Quotients for these programmes, but previous evaluations of these programmes provide confidence that they will have a satisfactorily positive effect.

In the development of its Rehabilitation Quotient outcome measure the Department will consult with other overseas jurisdictions that are working on the development of a Rehabilitation Quotient measure to obtain further information and examples of best practice, which will inform the refinement of our existing methodology.

Key Strategic Achievements *for 2002/03*

The 2002/03 year represented the final year of implementing the initiatives contained in the Department's set of Strategic Business Plans, which outlined the overall direction for the Department during the period from July 2000 to June 2003. These plans focused on the achievement of four major strategic goals. Progress made in 2002/03 towards the achievement of these strategic goals is outlined below.

STRATEGIC GOAL 1: INTEGRATED OFFENDER MANAGEMENT

Recently the Department completed work on the implementation of a new approach to the way that offenders are managed across all sentence types.

This integrated approach represents a new way of assessing an offender's risk of re-offending and their particular criminogenic needs. For high-risk offenders it seeks to match needs with interventions that focus on rehabilitation, while for lower-risk offenders reintegration into the community is the primary focus.

The focus of this Strategic Goal in 2002/03 was on "bedding in" the new policies, procedures and processes associated with this new way of managing offenders. This enabled the Department more effectively to manage offenders and better focus its efforts on addressing offender behaviour, therefore directly contributing towards the achievement of both secondary outcomes, namely Protecting the Public and Reducing Re-offending.

The Department's 2002/03 Statement of Intent outlined the key milestones to be progressed under this strategic goal. These included:

- completion of the roll-out of sentence planning and management processes for all categories of new inmates across all prisons
- commencement of the new sentence planning and management processes for existing inmates
- completion of implementation of reintegrative services across custodial and non-custodial offenders.

Other achievements included the establishment of a pilot programme aimed at reducing youth offending, the implementation of the Sentencing Act 2002 and the Parole Act 2002 and the Victims' Rights Act 2002, supporting the legislative process and implementing the Department's Pacific Strategy.

Reducing Youth Offending Programme

The Reducing Youth Offending pilot programme (previously known as the Day Reporting Centre project) was undertaken in conjunction with Child, Youth and Family. During the year programme specifications were completed and pilot sites established in Auckland and Christchurch; towards the end of the year, service delivery to clients began. The pilot programme is scheduled to continue for a further two financial years.

Sentencing Act 2002 and Parole Act 2002

Implementation of the requirements of the Sentencing Act 2002 and the Parole Act 2002 required changes that were effected in the following key areas:

- provided new sentencing principles for judges to take into account when sentencing offenders
- changed the nature of community-based sentences by abolishing the sentences of community service and periodic detention and replacing them with the sentence of community work
- abolished the sentence of community programme, and added further options for special conditions on supervision
- clarified and enhanced victims' rights
- created a new category of offenders released on conditions
- fundamentally restructured the National Parole Board and District Prisons Boards into the New Zealand Parole Board.

During the year the Department focused on implementing the requirements of the new acts and ensuring associated new procedures and processes were integrated into the "business as usual" work of the Department. This included:

- ensuring that the New Zealand Parole Board became operational on 1 July 2002, including the establishment of administration support services in head office, Auckland and Christchurch.
- ensuring that all National System delegations applying to the Public Prisons Service, Community Probation Service, Psychological Service and the New Zealand Parole Board were reviewed and updated as necessary
- reviewing as part of the 2002/03 Supplementary Estimates process the volumes of each sentence type administered by the Community Probation Service following the introduction of the new acts. The original projections developed by the Ministry of Justice were based, particularly in the case of community work, on a predicted increase in the use of fines, which has not occurred. The revised volumes are outlined in the Department's 2002/03 Statement of Service Performance on pages 84 to 86 of this report.
- reviewing and updating Service operational manuals as appropriate, with the exception of those for the Community Probation Service, which will be reviewed in 2003/04 to take account of the impact of resourcing decisions made for 2002/03 and subsequent years.

New Corrections Legislation

The Department supported the legislative process associated with the development and introduction of the Corrections Bill and the associated Select Committee hearings.

Pacific Strategy

The Department implemented a number of initiatives as outlined in its inaugural Pacific Strategy, which was designed to reduce re-offending by Pacific peoples. These included:

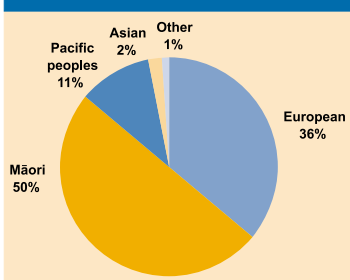
- establishment of the Chief Executive's Pacific Advisory Group, which included the identification of members and the development of agreed terms of reference
- development and implementation of the Fautua Pasefika specified visitors' policy

- ongoing work on the development of a Pacific Framework to ensure effectiveness of programmes for Pacific offenders.

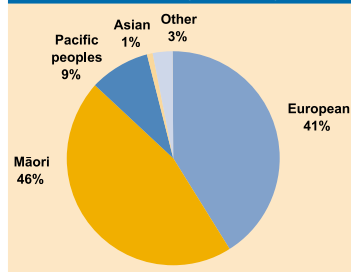
STRATEGIC GOAL 2: REDUCING RE-OFFENDING BY MĀORI

Corrections recognises the importance of addressing the needs of Māori offenders effectively. Māori have continued to be disproportionately represented in the criminal justice system. For example, at 30 June 2003 the ethnic breakdowns of prison inmates and offenders serving community-based sentences were as shown in graphs 26 and 27 below.

Graph 26: Prison Inmates by Ethnicity



Graph 27: Community Probation Offenders by Ethnicity



It is predicted that due to demographic patterns, and assuming no other changes, the number of Māori in the criminal justice system will continue to rise.

REDUCING INEQUALITIES

The following outlines the Department's contribution in 2002/03 towards reducing inequalities and addressing the milestones designed to address issues outlined in the Department's 2001-2003 Treaty of Waitangi Strategic Plan.

Addressing Specific Needs

The Department believes that establishing partnerships begins with the building of relationships with whanau, hapu, iwi and Māori communities. The nature of these relationships will vary to suit each situation but the goal in every case will be to enhance the Department's ability to support Māori aspirations for "wellness and wellbeing" in pursuing our primary outcome of Safer Communities through our contributions to Protecting the Public and Reducing Re-offending.

Recently the Department completed work on the implementation of an integrated approach to the way that offenders are managed across all sentence types, lengths and locations. This approach represents a new way of assessing an offender's risk of re-offending and their particular needs. For higher-risk offenders it seeks to match needs with interventions that focus on rehabilitation or, for lower-risk offenders, reintegration into the community. As a first step many offenders may also need some assistance to motivate them to address their offending behaviour. In such cases the

initial focus will be on either a cognitive-based programme and/or a tikanga-based programme. Should there be a consequent change in motivation the offender may go on to have interventions targeted at their needs as they relate to the cause of their offending.

This may include a programme targeted at a specific identified criminogenic need such as a violence or generic rehabilitative programme. An offender may also receive other interventions based on identified need. Examples of this include cultural supervision, bicultural therapy or attendance at a special treatment unit. Unfortunately, there is no "one size fits all" solution. The best results are when the right person receives the right intervention, in the right situation, at the right time – and gets good support from community, friends and family for maintaining their new behaviours once their sentence has ended and they have to look after themselves.

Milestones to address the specific needs of Māori were set out in the Statement of Intent for the 2002/03 financial year. Achievements included:

- development of a new Māori Strategic Plan, the purpose of which is to align the expectations of Māori communities with the work of the Department
- continuation of the Cultural Supervision Pilot, with implementation completed in the Waikato and Canterbury regions
- piloting of specialist Cultural Assessment with initial implementation completed in the Auckland and Waikato regions
- preparatory work to allow the piloting of a tikanga Māori programme for women offenders
- ongoing management of Māori focus units in five prisons. The units use Māori language and culture to create a change in the understanding, attitudes and behaviours of Māori offenders
- continued work on implementing a Māori Targeting Framework, which includes the provision of tikanga Māori programmes and Māori therapeutic programmes in the Māori focus units
- development of a Whanau Involvement Plan. This plan consists of four principles:
 - whanau to be identified by the offender
 - the inclusion of whanau from the outset
 - a strength-based approach to whanau development and healing
 - the need for offenders and their whanau to have access to responsive and effective services
- continued work towards the development of a policy on working with Māori providers. The Department has continued to identify opportunities to develop and work more effectively with Māori providers within available resources. Various internal stakeholders have been consulted with during the year to identify a range of operational issues that need to be addressed as part of that work. A draft policy on working with Māori providers will be considered by senior management early in the 2003/04 financial year
- continued implementation of the Kaiwhakamana Policy, an initiative to allow Māori inmates greater support by kaumatua. Māori are seeking greater involvement to contribute to the "wellness and wellbeing" of their people and the Kaiwhakamana Policy is one of the ways we are attempting to respond to their requests. Kaumatua with the Department will be known as

kaiwhakamana. They will have the same access to prisons as Ministers of the Crown. Kaiwhakamana are able to:

- advise inmates and whanau about whakapapa and tikanga
- assist inmates to establish contacts with iwi/hapu/whanau
- advise and assist inmates with whanau relationships and business issues
- provide news and information about iwi/hapu/whanau
- provide spiritual support and guidance for their iwi/hapu/whanau members who are in prison
- assist inmates with personal and whanau matters
- help inmates reintegrate with iwi/hapu/whanau
- provide suggestions and feedback to the Minister and the Department on provision of services to Māori
- continued implementation of a Māori Communications Strategy to improve how national and local staff communicate with Māori audiences
- continued operation of the Chief Executive's Māori Advisory Group, which has been established to provide direct advice and feedback to the Chief Executive on Māori issues. Part C of this report summarises the work of this group during the year.

Human Resources Initiatives

Cultural responsiveness initiatives related to reducing inequalities that have been progressed during the year include:

- establishment of regular reporting on the percentage of Māori staff and managers across the Department
- establishment of targets to increase the percentage of Māori and Pacific peoples across the Department. Identified targets by 2010 to increase the percentage of:
 - Māori to 25.5 percent of frontline staff and 13 percent of managers, which will represent 24.8 percent of all employees (as at 31 March 2003, Māori comprised 21.6 percent of employees)
 - Pacific peoples to 8 percent of all employees (as at 31 March 2003, Pacific peoples comprised 5.2 percent of employees)
- scoping work related to reviewing recruitment and selection practices for attracting and appointing Māori staff
- a review of the effectiveness of the Māori Future Leaders programme with minor amendments made where appropriate
- ongoing implementation of Māori scholarship and bursary programmes
- initial work on the review of cultural competencies for frontline staff.

Shared Goals

In pursuing our primary outcome of Safer Communities, through our secondary outcomes of Protecting the Public and Reducing Re-offending, the Department believes it is contributing directly to the achievement of the broader kaupapa statement expressed in the Department's Treaty of Waitangi Strategy of "Kotahi ano te kaupapa; ko te oranga o te iwi": there is only one purpose (to our work); it is the wellness and wellbeing of the people.

Recently the Department completed work on the implementation of an integrated approach to the way that offenders are managed across all sentence types, lengths and locations.

As part of this approach, the Department's aim is to lead to more effective offender management including the reduction of re-offending. In support of the Department's key 2002/03 strategic goal to Reduce Re-offending by Māori, specific focus has been given to assessing and addressing Māori culture-related issues.

This integrated approach to managing offenders identifies the specific needs of Māori, Pacific peoples, women and young offenders. This emphasis is valid in light of the Government's focus on reducing inequalities. Part B of this report includes information on the range of motivational and criminogenic programmes delivered to offenders serving both custodial and non-custodial sentences.

The Department has in place a number of policies relating to the management of women offenders. Those progressed during the 2002/03 financial year included a policy for managing women inmates with dependent children, the development and piloting of a tikanga Māori programme for women offenders and the completion of a framework to enhance the effectiveness of offender management for women offenders, including those on community-based sentences.

The Department has continued to progress the key themes in its disability plan. It has completed development of a set of health and disability service specifications and descriptions for inmates, which will enable it to meet New Zealand and international standards and obligations. Implementation of the revised specifications is subject to receipt of additional funding, although some pre-planning has been commenced.

Consultation and communications processes have been reviewed to incorporate consideration of the needs of people with disabilities and preliminary work has been undertaken to consider ways of increasing the information available on people with disabilities within the corrections system.

While the Department continues to address residual issues related to building compliance as far as its existing facilities are concerned, plans for its new prison facilities have been drawn up to ensure full compliance with disability access requirements.

Pacific Peoples

The Department has in place its first Pacific Strategy, which provides direction for reducing re-offending by Pacific offenders from July 2002 to June 2005.

Initiatives progressed during the year included:

- ongoing work on the development of a Pacific Framework to ensure effectiveness for Pacific offenders, including the Fautua Pasefika initiative which aims to involve community leaders of Pacific descent who can provide advice and guidance to inmates
- the design of a violence prevention programme specifically for Pacific offenders

- the training of the Department's policy staff in the use of the Pacific Analysis Framework, which is a policy tool developed by the Ministry of Pacific Island Affairs
- the establishment of a specified visitors' regime for selected Pacific leaders and role models to visit inmates
- the establishment of Pacific Community Liaison officers in Auckland prisons to provide an enhanced information flow between the prison and the Pacific community
- the establishment of the Chief Executive's Pacific Advisory Group as discussed above.

2002/03 Expenditure on Reducing Inequalities

For the year ended 30 June 2003, the Department delivered a range of outputs to Government for the management and rehabilitation of offenders at an actual operating cost of \$514m.

Of this amount, \$20.5m was specifically targeted to assist with reducing re-offending by Māori. Details were as follows:

- Māori focus units costing \$15.2m, of which \$14.1m was for custody and \$1.1m for programmes
- Bicultural Therapy model costing \$0.4m
- Māori policy work costing \$1.4m
- tikanga Māori programmes costing \$3.3m
- other Māori programmes costing \$0.2m.

The outputs delivered to Government that were not new initiatives specifically targeted at reducing re-offending by Māori cost \$493.5m. Of this amount, \$222.1m was attributable to Māori, as they comprise 45 percent of the offender population. Of this \$39.6m was attributable to Pacific peoples, as they comprise 9 percent of the offender population.

Of the Māori offender population approximately 96 percent are male.

All of the above costs are calculated on a GST-inclusive "fully absorbed" basis in that they include both direct and overhead costs in accordance with the Public Finance Act 1989.

STRATEGIC GOAL 3: RESPONDING TO INCREASED DEMAND

In 2002/03 the Department was part-way through the implementation of an eight-year National Facilities and Services Strategic Plan.

The major aim of this plan was focused on ensuring that appropriate facilities exist in time to meet forecast increases in the inmate muster levels. As part of this goal the Department is implementing the Government's Regional Prisons Policy. This policy is based on evidence that locating inmates as close as possible to their homes is conducive to effective rehabilitation and reintegration.

Progress made in 2002/03 on the Department's new prison developments is summarised below.

- *Northland Region Corrections Facility*

Significant progress was made during the year towards the construction of the new prison. Substantial earthworks were completed, despite local protest activity, and work commenced on the construction of the new prison in March 2003, following the appointment of the main contractor in January 2003.

- *Spring Hill Men's Corrections Facility*

The overall timeframe associated with the development of tender documentation for this facility was revised to align with decisions from local authorities on resource consent. The local authorities subsequently recommended granting the resource consent and accepting the designations subject to conditions, which were accepted by the Minister of Corrections with amendments. The resource consent and designation have been appealed. At this stage the Department expects a resolution to follow a hearing in the Environment Court in the third quarter of 2003/04.

- *Auckland Region Women's Corrections Facility*

During the final quarter of 2002/03, Cabinet approved funding to enable construction of this new facility. The council hearing for designation was held during the year. The hearing approved the designation; however, this decision has been appealed to the Environment Court.

- *Otago Region Men's Corrections Facility*

Work on the technical reports and planning reports for the proposed site has progressed and will be used to support an application for designation of land. There are, however, several issues related to wastewater and waste discharge to be worked through as part of the resource consent process.

- *Rimutaka Prison*

The Department completed work on the construction and commissioning of 180 new cells at Rimutaka Prison.

STRATEGIC GOAL 4: ENHANCING ORGANISATIONAL CAPABILITY

It is critical that the Department ensures it has the capability to effectively conduct its business now and in the future. Achievement of the other three Strategic Goals are to some extent dependent on an overall focus and improvement in capability.

Initiatives undertaken during the year have included:

- completion of training and development targeted at the implementation of Integrated Offender Management, Sentencing Act 2002, Parole Act 2002, and merging training for these activities into business as usual training plans
- continued work towards the redevelopment of management training provided to first level managers to include new modules on health and safety and responsiveness, and an increased focus on the skills and knowledge needed to be a manager in the Corrections environment
- ongoing provision of Career Development Workshops for managers
- continued operation of the Future Leaders programme, which aims to identify and develop staff for future progression in the Department
- redevelopment of the Department's Code of Conduct with implementation occurring early in the 2003/04 year
- in August 2002 Ministerial approval was obtained for the Department of Corrections to undertake an Output Pricing Review. The purpose of the review was to determine with central agencies such as the Treasury and the State Services Commission, the appropriate level of resourcing to sustain the work of the Department. During the year work has continued on this review and it is expected that the outcome of the review will be known in 2003/04
- continued enhancement of the Department's major operating computer system (IOMS) to ensure that it continued to support the Department's operations
- continued implementation of key initiatives from the Department's deferred maintenance plan, which included commencing seismic strengthening work at Christchurch Prisons. Work also commenced on the redevelopment of Waikeria Prison.

Progress made in specific areas follows.

Human Resources Management

The Department continued work on the implementation of the initiatives outlined in its Human Resources Strategy for the three-year period 2000-2003 with a number of initiatives focused on building a platform for improved integration across the Department. These included:

- adjustments to the organisational structure, to establish the most effective management arrangements for the delivery of core operations incorporating:
 - implementation of a revised management structure in head office
 - the grouping of the previously separate Psychological Service and Community Probation Service as Probation and Offender Services

- initial design work towards bringing together key programme delivery activities from the Public Prisons Service and the Community Probation Service to a unit entitled Intervention Services, which will be part of Probation and Offender Services and will be fully operational from 1 July 2004
- implementation of a revised management structure within the Community Probation Service, to improve alignment of national strategy and frontline delivery of service
- the transition of Regional Management Committees from focusing on Integrated Offender Management implementation to focusing on operational issue management and external relationship management, including iwi. These committees combine regional managers across the Department into three geographical committees. Each is supported by cross-service operating groups
- implementation of a national sector-based management structure within Corrections Inmate Employment to enable better focus on the specific economic characteristics of each specialised segment and to improve the financial viability of work-skill development objectives.

Other work progressed included:

- implementation of a new manager remuneration and performance management system, which better aligns the Department with the Government's new policy on remuneration
- development of a new payroll and Human Resources Management Information System, with implementation to occur in the 2003/04 financial year
- a review of the Department's existing Code of Conduct to reflect and incorporate legislative developments and the intent of the recently revised Public Service Code of Conduct
- continued improvement of health and safety management systems, with greater national consistency in processes and systems to support a reduction in accidents and more effective return-to-work programmes.

Information Technology (IT)

The IT activities of the Department were focused on the Information Technology Strategic Plan projects and other major initiatives during the year as reported below.

Information Technology Platform

The Department continued to maintain and upgrade the production platform to ensure that it continued to meet the operational requirements of the Department. This included several releases of the Department's key business system, Integrated Offender Management, which were completed on schedule throughout the year. The Department also completed work on the redevelopment of its external internet website and internal intranet to improve overall functionality and improve usability.

The Department also implemented the first phases of its data warehouse during the financial year. This is now running in production, and has the ability to be accessed nationwide.

Justice Sector Interfacing

The Department has continued to be involved in justice sector initiatives relating to data exchange on a secure network service across the sector and to interfaces between the Department's Integrated Offender Management System and the Police computer system, as part of the work related to sentence reform.

Corrections will continue to access data from the other justice sector agencies via the Law Enforcement System until the new interfaces with Courts and Police systems are complete.

The Department has also been involved in the development of a new justice sector information strategy and will be working with other justice sector agencies on its implementation.

E-government

During the year the Department continued to participate in the e-government initiative led by the State Services Commission. The Department has fully supported the e-government standards that have been promulgated by the E-Government Unit. In the development of its external website and internal intranet, it has ensured that the requested standards are met and has managed its vendors to achieve this.

