



DEPARTMENT OF
CORRECTIONS
ARA POUTAMA AOTEAROA

ANNUAL REPORT

1 JULY 2011 – 30 JUNE 2012



OUR VISION

To create lasting change by breaking the cycle of re-offending.

OUR GOAL

Reducing re-offending by 25% by 2017.

OUR PRIORITIES

Improving Public Safety

Keeping communities safe by ensuring offenders complete the sentences and orders handed down by our justice system and are held to account if they don't. This will always be our bottom line.

Reducing Re-Offending

Cutting the rate of re-offending leaves fewer victims and adds significantly to the social well-being of our communities as offenders become productive members of our society. This is our ultimate goal.

Better Public Value

We face a challenging economic environment so our commitment is to achieve more with every taxpayer's dollar, freeing up resources where we can, while improving our service responses.

Visible Leadership

Our leaders will work actively with staff to engage them in creating lasting change, and ensure that we truly unify our efforts to reduce re-offending. Our staff will be safe and well supported in their daily work with offenders.

INTRODUCTION

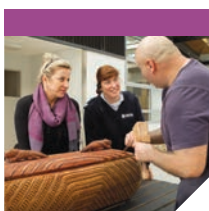
Our Annual Report is the most important means by which we report to Members of Parliament and the public. It outlines how resources were used and is a key document for the financial review of our performance and operations conducted by Select Committees under the Standing Orders of the House of Representatives.

It covers our operations during the preceding financial year from 1 July 2011 to 30 June 2012.

This Annual Report is divided into three sections:



Part A Contribution to Outcomes explains what we did to contribute to our long-term outcomes and medium-term impacts as outlined in the Statement of Intent 2011-14.



Part B Statement of Service Performance reports against the performance measures and standards for those services provided as set out in the Vote Corrections, Information Supporting the Estimates of Appropriations, 2011/12.



Part C Annual Financial Statements contains the financial statements for the 2011/12 financial year prepared in accordance with the Public Finance Act 1989 and other legislative or administrative requirements and expectations.

CHIEF EXECUTIVE'S OVERVIEW

This is my second Annual Report as Chief Executive and it's terrific to see how much Corrections has achieved over the last year. For me, the highlight has been watching staff embrace new ways of operating and taking a lead role in creating lasting changes within the Department. We are transforming the way we manage offenders. This has included staff taking an active role in rehabilitation and engaging with offenders at every opportunity.

If we can turn a person's life around, we can make a difference to the communities we live in. Reducing re-offending leads to fewer offenders and less crime, but most importantly it means fewer victims. It also makes economic sense, because the best investment we can possibly make is the investment in creating lasting change and turning people away from a life of crime. This commitment to creating lasting change in people's lives is embodied in our goal to reduce re-offending rates by 25 percent by 2017.

As a government department, we recognise the need to be fiscally prudent, and our Expenditure Review identified a number of ways for us to improve the way we work without increasing our costs.

Some of our prisons are more than a century old and were never designed for successful rehabilitation. This year we announced the closure of prisons and units that have reached the end of their economic lives, as well as the refurbishment of Invercargill and Auckland Prisons to ensure they support us in achieving our goal of reducing re-offending.

We have moved to a new nationwide structure aimed at empowering and supporting our frontline staff in prisons, community probation, rehabilitation and employment to work together as one team focused on the offender.

Restructures are difficult for people and I have been very proud of the way our staff have managed during this time.

Our three year programme to change the way we manage offenders in the community was completed this year. The new framework supports staff to make decisions about the management of offenders and helps staff to prioritise their efforts towards higher risk offenders. We have also introduced case management in our prisons, to develop rehabilitation plans for every prisoner and help them lead law-abiding lives on release.

We have proven we can introduce ground-breaking programmes like smoke-free prisons. Robust planning 12 months ahead of the smoking ban and engagement in the programme from staff at all levels ensured that prisons went smoke-free without incident. A year on, we can see tangible benefits to the health of both staff and prisoners. Leading the world with significant changes like this can only bode well for future innovations in the corrections service.



Ray Smith
Chief Executive

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WHAT CORRECTIONS DOES

On any given day, the Department of Corrections manages more than 8,500 prisoners throughout the country and offenders serving more than 41,700 sentences and orders in the community. These are some of New Zealand's most challenging people. We work with them to reduce the likelihood of their re-offending, while at the same time making sure they are managed in a way that keeps the public of New Zealand safe.

While in prison, or serving sentences and orders in the community, offenders have access to a range of rehabilitative and reintegrative interventions. We work with offenders and their whānau to address offenders' drug and alcohol problems, to increase their literacy and numeracy skills, and to help them get a job. We provide them with interventions that address the causes of their offending to help them live law-abiding lives.

Making a change in the lives of offenders is important, but our bottom line is to keep the public safe. We do this by making sure our prisons are securely maintained, and that we keep drugs, cell phones and other contraband out. We further ensure that prisoners and community-based offenders are held to account for their actions. We take appropriate action if conditions of sentences and orders are breached, and manage the risks that these offenders pose to the community.

In addition, we ensure that the diverse needs of prisoners are responded to, and that they are housed fairly and humanely while in our prisons. We respond to their various mental and physical health needs. We take into account their cultural background, ethnicity and language in managing them, and involve their families where appropriate.

Department staff provide approximately 60,000 reports on offenders to the courts to assist in sentencing decisions, and 8,000 reports to the New Zealand Parole Board to help the Board decide whether a prisoner should be released and under what conditions.



In 2011/12 we:

- > worked with over 77,000 individuals
- > managed over 19,000 people in our prisons
- > supervised over 69,000 people in the community

supported:

- > 2,103 prisoners to improve their literacy and numeracy skills
- > 5,146 prisoners to engage in employment-related activities
- > 3,145 qualifications to be gained by prisoners
- > 907 prisoners to take up places in Drug Treatment Units
- > over 5,000 prisoners to start a rehabilitation programme
- > over 5,000 community-based offenders to start a rehabilitation programme

We maintained \$2.5 billion worth of assets, including:

- > 19 prisons
- > 126 community probation sites

with:

- > over 7,600 staff
- > over 3,000 registered volunteers
- > over 47,500 staff training days

THE JUSTICE SECTOR AND CORRECTIONS

Corrections plays a key part in the justice sector, which involves the Ministry of Justice, New Zealand Police, the Crown Law Office, the Serious Fraud Office, the Ministry of Social Development and a number of Crown entities and agencies.

For some time we have been working together, recognising there is a pipeline across the criminal justice sector. This goes from crime prevention, investigation of crime to arrest and prosecutions, through to courts, sentencing, sentence management, rehabilitation and reintegration. Policies and approaches in one part of the system can have significant impacts on the others.

Coordination across the sector is required to ensure that resources are used as effectively as possible and that future policy, investments and changes to service delivery have the greatest positive impact. In order to strengthen collective leadership across the sector, a Sector Leadership Board comprising the Chief Executives of Police, Justice and Corrections has been established, supported by the new Interagency Sector Strategy group. The Board is responsible for driving performance across the justice system, coordinating the major change programmes underway and collectively planning to modernise the sector, reduce costs, improve services and further enhance public safety.

The government has committed to providing better public services within tight financial constraints. As part of a series of Better Public Services goals, the justice sector is working to reduce the overall crime rate by 15 percent.

To achieve this, the sector is working to:

- > reduce the violent crime rate by 20 percent
- > reduce the youth crime rate by 5 percent
- > reduce the re-offending rate by 25 percent.

Corrections is working closely with its justice sector partners to contribute both to the overall performance of the sector, and to achieve these goals.

Through the Expenditure Review, Corrections has provided \$87 million in funding to the Justice Sector Fund. Shared opportunities for cost savings related to training, facilities management, electronic security, information technology and fleet management are being explored as part of the wider Accessible Justice project. Further work as part of the Joining Forces project will see Police, Corrections and Justice work together in areas such as co-ordinated intelligence sharing, custodial activities, prisoner escorts and transport, electronic bail monitoring and combined training opportunities.

Work continues on the Drivers of Crime initiatives, including collaborative work with the Ministry of Health to expand the range of alcohol and drug programmes available to offenders in the community. Corrections continues to work collaboratively alongside the Ministries of Justice, Education, Health, Social Development and Te Puni Kōkiri to address other key drivers of crime in New Zealand society. The work programme also has a particular focus on improving outcomes for young Māori offenders.

MANAGING IN A CHANGEABLE ENVIRONMENT

The continued concern in global markets about the level and safety of government debt and the increasing concern about spending pressures in the years to come have caused a shift in thinking about what services governments should deliver and how they can be delivered cost-effectively.

Against this backdrop, the Government has launched a Better Public Services initiative to fundamentally alter the way services are delivered to New Zealanders and to ensure that real changes are made in society, within tight financial constraints. The Government's Better Public Services programme requires public sector agencies to provide quality services that achieve the results the public wants and expects within tight financial constraints. It requires agencies to be innovative, to be efficient and to work together to make a real difference to the lives of New Zealanders. Ten challenging goals have been set for Government agencies.

The Department of Corrections has committed to a challenging Better Public Services goal of reducing re-offending by 25 percent by 2017, resulting in 600 fewer prisoners, 4,000 fewer community offenders and 18,500 fewer victims each year. Achieving this will require innovation and new ways of working.

Collaboration with non-traditional partners offers opportunities to improve outcomes. Public sector boundaries are becoming increasingly flexible, and the establishment of a public private partnership to build and operate a new prison at Wiri will incorporate world-class expertise and ideas. The modern facilities, innovative services and a clear focus on results should see improved performance across the entire prison system.

Working more closely with other agencies, and with community and iwi providers, will encourage creative approaches to rehabilitation and reintegration, and increased support for specific groups of offenders.

Rapidly changing technology provides opportunities to better manage offenders, to improve safety and to work in more responsive and adaptive ways. For example, in the community, offenders at high risk of re-offending can be monitored using Global Positioning System (GPS) technology; and staff managing offenders in the community can work outside of probation centres, spending more face-to-face time assisting offenders. In prisons, technology allows the jamming of cell phone signals; and can reduce the need to move offenders from prisons (for example, for court appearances). In the future, new technology is likely to offer further potential to provide innovative solutions in managing offenders both in prisons and in the community.

Changes within the justice sector in approaches to managing and responding to crime will have an impact on our business. The recorded crime rate in 2011 was the lowest in 30 years, and volumes in our courts and prisons are decreasing. We have the opportunity to build on these trends to further reduce harm and the social and economic cost of crime.

The profile of the prison population also provides challenges. Māori continue to be overrepresented in our prisons, reflecting the high proportion of the Māori population in the crime-prone age range. Reducing overall re-offending requires making a real difference in the lives of Māori offenders by providing them with the skills and support to live law-abiding lives.

Gangs remain a problem, both in prisons and amongst offenders serving community sentences. Gang members have higher rates of re-offending than non-gang members and are more likely to be involved in violence in prisons.

The ageing prison population also poses challenges. Longer sentences and recidivist offenders staying in the prison system for longer have resulted in an increase in the average age of prisoners. The Department is working on how to respond to issues associated with an elderly population, like health needs. Those pressures are likely to remain and grow.

New Zealand's economic challenges and the tightening of the labour market will make finding employment for released offenders more challenging. However, the relationships the Department is establishing with employers and the staff of Work and Income and the training and education provided to prisoners will give offenders a better chance of finding work. The rebuild of Christchurch also offers opportunities for employment and the Department has instituted specific trades training to equip offenders with relevant skills.

There are indications of changing public attitudes towards crime in the community. A recent research survey which, amongst other things, asks New Zealanders what they see as the most important problem facing the country, saw the lowest percentage of respondents (4 percent) choosing crime and violence since the series began in 2001.

Economic and social issues will continue to challenge Corrections in the future, but creative responses that take advantage of opportunities will assist the Department to reduce re-offending and keep the public safe.