



DEPARTMENT
OF CORRECTIONS

Statement of Intent
1 July 2003 to 30 June 2004

Presented to the House of Representatives
Pursuant to Section 34A of the Public Finance Act 1989

PURPOSE

The Statement of Intent sets out the overall strategic direction of the Department, its priorities and the key strategic themes and details the outputs it will produce during 2003/04, together with information on the Department and the environment in which it operates.

The Statement of Intent is divided into three parts:

Part 1 outlines the strategic direction of the Department. It sets out the Department's purpose and the principles that guide its day-to-day operation, the goals and outcomes it contributes to, environmental considerations impacting upon its operation, and how it proposes to contribute to the achievement of its goals and outcomes.

Part 2 contains the Department's forecast financial statements prepared in accordance with section 34A of the Public Finance Act 1989. Included in these are detailed descriptions of the outputs that will be delivered in 2003/04, the performance standards associated with these outputs, and statements setting out the Department's operating costs and expected financial position.

Part 3 outlines the key dimensions and structure of the Department.

More Information

For more information on the work of the Department of Corrections, please visit our website at www.corrections.govt.nz

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MINISTER'S FOREWORD

Three years ago the Government embarked upon a set of reforms designed to address public concerns about the criminal justice system.

These reforms culminated last year in the passage of three new major pieces of legislation: the Sentencing Act 2002, the Parole Act 2002, and the Victims' Rights Act 2002, all of which were implemented during the course of last financial year.

More recently the Government has introduced the Corrections Bill into the House. This piece of legislation is intended to provide a more modern approach to the management of offenders, to complement the Sentencing and Parole Acts and ensure that public safety is the paramount consideration when making decisions about offenders.

The underlying purpose of these reforms is to produce a criminal justice system that better protects the public and gives greater recognition to the needs of victims, whilst being credible, fair and effective.

It is pleasing to see the progress that the Department has made to date towards improving the overall operation of the corrections system. The challenge now is to build on the gains that have been made, while ensuring the Department is effective and efficient.



A handwritten signature in blue ink, appearing to read 'Mark Gosche'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Hon Mark Gosche
Minister of Corrections

CHIEF EXECUTIVE'S OVERVIEW

The Department of Corrections has undergone a significant amount of change over the last eight years.

Changes of particular significance include:

- the development and implementation of new approaches to managing offenders through the corrections system, which has impacted on all parts of the Department and has fundamentally changed the way that we undertake our core business
- the development and implementation of an integrated offender management computer system and a raft of operational and business systems improvements to ensure the Department is able to operate efficiently and economically.



More recently we have been working towards implementing the Government's Regional Prisons Policy, which means that locating inmates as close as possible to their homes should be more conducive to effective rehabilitation and reintegration.

We have also been in the process of implementing and bedding in new systems and processes resulting from the new Sentencing Act 2002, Parole Act 2002 and the Victims' legislation.

I expect that as all these changes take increasing effect we will start to see some benefits with the direction we have taken. Certainly what has been accomplished to date puts us well up with the best corrections practices in the world.

This year will represent the first year of our new Strategic Business Plan which, once approved, will set the overall direction of the Department through to 2008. The Plan will be supported by a revised Treaty of Waitangi Strategic Plan and the recently completed Pacific Strategy.

The focus of the new Strategic Business Plan is on consolidating the gains that we have made and on continuing to refine what we do and how we do it. In developing the plan we have identified four key themes that will guide the work of the Department over the coming years. They are:

- Ensuring Effective Offender Management – by focusing on how the Department can continue to improve operational practices around the safe, secure and humane management of offenders across the Department;

- Improving Responsiveness to Māori – by building partnerships with Māori that are beneficial to both Māori and the Department and by ensuring that the Department is responsive to and effective for Māori in terms of what to deliver and how it is delivered;
- Contributing to Reducing Re-offending – through the provision of more effective rehabilitation and reintegrative initiatives that encourage offenders to address and change their offending behaviour;
- Enhancing Capability and Capacity – by working towards having the necessary people, values, systems and infrastructure in place to support the delivery of the Department’s work.

The initiatives to be undertaken under each of these themes in the coming years will help us to ensure that we are able to continue making a strong contribution towards safer communities through our contribution to protecting the public and our focus on reducing re-offending.



Mark Byers
Chief Executive

PART
1
STRATEGIC CONTEXT

PART 1 – STRATEGIC CONTEXT

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PURPOSE AND PRINCIPLES OF THE CORRECTIONS SYSTEM

The Department of Corrections was established in 1995 and is responsible for the administration of the New Zealand corrections system. The purpose and principles of the corrections system have been agreed with the Government and are included in new corrections legislation currently before Parliament.

Purpose

The purpose of the corrections system is to contribute to the maintenance of a safe and 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 that:

- 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, provided for and engaged 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 that there is 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:
 - 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 FOCUS

In carrying out its day-to-day responsibilities the Department will give particular emphasis to activities that support the Government's desired outcomes and priorities. The Government's outcomes and priorities for the public sector are set out in its Key Government Goals.

The Department directly contributes to four of these key goals:

- *Strengthen National Identity and Uphold the Principles of the Treaty of Waitangi*
- *Maintain Trust in Government and Provide Strong Social Services*
- *Reduce Inequalities in Health, Education, Employment and Housing*
- *Improve New Zealanders' Skills.*

Justice Sector Outcomes

The Department, in conjunction with the Crown Law Office, Child, Youth and Family, the Department for Courts, the Ministry of Justice and the Police has developed a set of intermediate outcomes for the justice sector. These also act as a mechanism for improving interagency coordination and effectiveness across the sector, and complement the Key Government Goals.

The underlying logic, characteristics and contribution of each of these outcomes to the Key Government Goals are set out below.

Safer communities (being communities in which there is reduced crime and in which safety and wellbeing is enhanced through partnerships)

Community safety influences the degree to which people engage in social, productive or creative enterprises or activities. People are assured when there are core safety functions, less crime and a visible Police service that meets communities' expectations to lead safe lives. Safety is also enhanced

when communities are supported in their desire to be safe through locally-based government agencies and organisations, such as Safer Community Councils.

The characteristics of safer communities require:

- the reduction of crime
- enhanced road safety
- maintenance of order and preservation of the peace
- assistance for members of the public when they call for Police services
- minimisation of threats to national security
- safe and secure management of offenders by way of compliance with sentences and orders
- assurance that those who have offended are rehabilitated and reintegrated effectively back into society
- crime prevention and safety intervention partnerships, through supporting local authorities, communities and non-government organisations to achieve common community safety and crime prevention goals
- partnerships with Māori to improve outcomes for Māori, particularly the reduction of offending by and victimisation of Māori
- the achievement of wellbeing and improved life outcomes for children, young persons and their families where criminal activity or family relationship issues are factors.

A fairer, more credible and more effective justice system (being a system in which people’s interactions are underpinned by the rule of law and justice services are more equitable, credible and accessible)

New Zealand’s justice system comprises constitutional arrangements and legal frameworks, civil and criminal structures, police investigation, judicial process and dispute resolution, and offender management.

The characteristics of a fair and effective justice system require:

- laws, regulations, policies and practices that provide certainty for people in their relations with each other and with the government and its agencies
- appropriate balance between the powers of the State and individual rights and freedoms, including the right to question the actions of public agencies
- equitable, easily accessible and credible justice services that are understood by the people using them
- timely processes and fair results
- the confidence of the public
- courts that protect the rights and freedoms of natural persons and are independent (constitutional integrity)

- the right to due process (ie, the right to be represented in court by a lawyer, have evidence heard in an open court, have cases proved beyond reasonable doubt, to appeal against a conviction, etc)
- disputes between individuals, groups and/or companies dealt with by the rule of law (business contracts, wills, tax, land and other property, cases where negligence has caused another's loss, and family matters)
- robust appointment processes for judges and a well-supported judiciary
- accountability for criminal offences through sentences that are seen to be appropriate and fair
- protection for the vulnerable
- the rights of victims being protected and their interests being taken proper account of
- fair treatment of offenders
- unimpeachable integrity from individuals and agencies within the system
- historical Treaty claims being resolved in a fair, durable and timely manner
- a Parliamentary electoral system which is managed in a way that maintains the confidence of citizens, political parties and Parliament.

THE DEPARTMENT'S STRATEGIC DIRECTION

The Department's strategic direction is consistent with both the Government's goals and the justice sector outcomes. The Department's strategic direction centres around a primary outcome of Safer Communities supported by the achievement of the two secondary outcomes of Protect the Public and Reduce Re-offending.



The Department **Protects 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 **Reduces Re-offending** by

changing offending behaviour through provision of 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 offending 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.

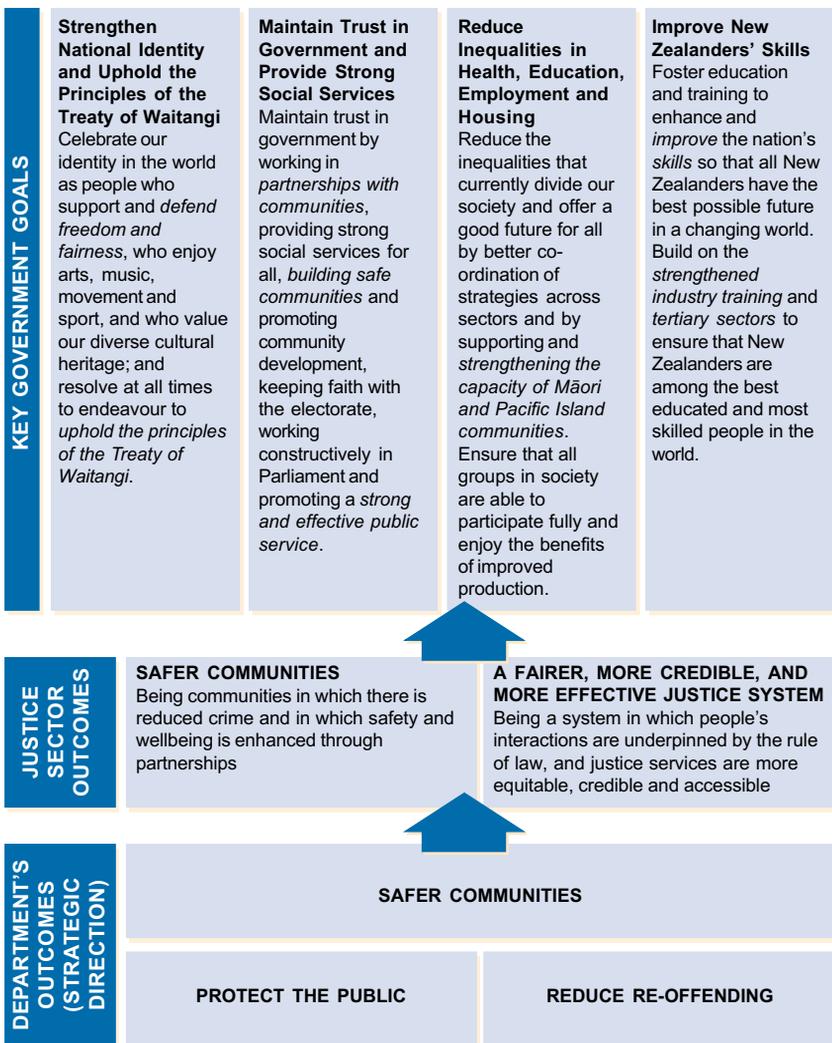
The relationship between the Department's strategic direction, the justice sector outcomes, and the key Government goals is shown in the diagram on page 18.

Contribution to Justice Sector Outcomes

There is a clear and direct link between the Department's outcomes and the justice sector outcome of Safer Communities.

The linkage between the Department's strategic direction and the justice sector outcome of a fairer, more credible and more effective justice system centres around:

- the effectiveness of the Department's interventions and the contribution these make to a more credible and effective justice system
- operating in a way that is consistent with its agreed purpose and principles, thereby contributing to improved perceptions about the fairness of the justice system.



KEY EXTERNAL DRIVERS

In determining how to give best effect to its strategic direction the Department needs to take account of external factors that will impact upon its operation. A number of external factors have been identified. These and their expected impact are outlined below.

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:

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

Sentencing Trends

New Zealand historically has a higher rate of imprisonment per 100,000 population than other comparable countries, as can be seen in the following table¹.

NZ	Canada	Australia	England & Wales	Scotland
150	120	109	122	115

While the impact of new sentencing legislation has not yet been fully quantified, it is expected that rates of imprisonment will continue (if not increase at this rate) at least in the short to medium term.

Re-offending and re-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 nine percent had over 20 convictions. The corresponding percentages for female inmates were 35 percent, 39 percent and eight percent; 60 percent of male and 41 percent of female inmates had served a previous custodial sentence.

An analysis of community-based sentenced offenders in November 2001, showed 58 percent males and 36 percent females had their first conviction

¹ Based on data collated by the Department from other jurisdictions.

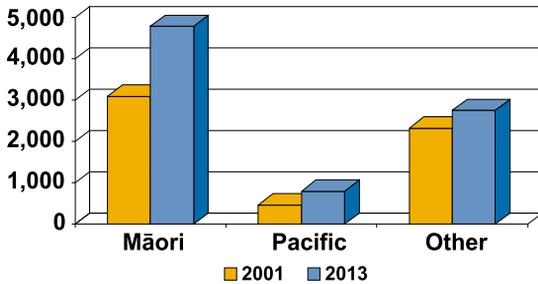
when aged 19 years or less, and nearly half of the offenders were less than 30 years old. For males sentenced to community sentences, 26 percent had no previous criminal convictions, 52 percent had at least six previous convictions and 24 percent had more than 20 previous convictions.

Recidivism reporting in 2001/2002 showed that within one year of release from prison, 24 percent of offenders were re-imprisoned and 17 percent were sentenced to a community-based sentence. Within one year of starting a community sentence, 12 percent were imprisoned and 24 percent sentenced to another community sentence.

Ethnicity

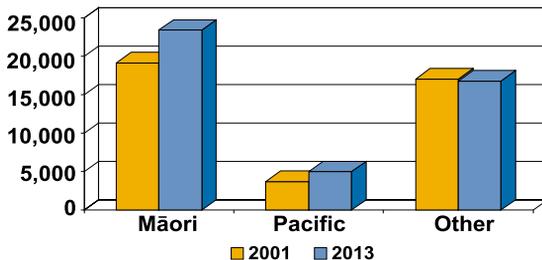
Māori and Pacific peoples are disproportionately represented in the criminal justice system. As at 1 April 2003, Māori made up 44.7 percent of offenders on community-based sentences, and 50 percent of prison inmates. Pacific peoples made up 8.7 percent of offenders on community-based sentences, and 11.1 percent of prison inmates. This trend is expected to continue due to the greater proportions of Māori and Pacific peoples in the 15-24 year-old age group, which is the age group that statistically is more likely to offend.

Public Prisons Service musters are forecast to grow by 1,693 for Māori, 332 for Pacific and 426 for Other.



2013 Forecast using MoJ Court Conviction data

Community Probation Service new starts are forecast to grow by 4,349 for Māori and 1,270 for Pacific but decline 303 for Other.



2013 Forecast using MoJ Court Conviction data

Gender

The vast majority of offenders currently under the Department's control are males (95 percent of all prison inmates and 81 percent of those serving community-based sentences). While it is projected that the number of female offenders will increase significantly over the next decade (41 percent more inmates and 13 percent more on community-based sentences), the overall ratio between male and female offenders will remain the same.

Any increase in female offending, however, raises particular issues; especially in terms of the facilities and services required, and the impact this may have upon dependent children.

Young Offenders

The census of prison inmates conducted in 2001 shows that 62 percent of male and 53 percent of female inmates received their first conviction between the ages of 14 and 19 years.

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 aged 15-24 years starting a sentence within the jurisdiction of the Community Probation Service.

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 an adult 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 are intimately related to crime and proven to influence further re-offending.

For many offenders, inappropriate use 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/or 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 has been a 53 percent growth in the number of convictions for violent offences in the past decade. 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 shows that:

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

For offenders on community-based sentences the analysis showed that 24 percent of male and 15 percent of female community-based offenders had previously been convicted of violence.

Issues

Behind these statistics lie significant issues for the Department, which include:

- costs and demands placed on the corrections system and the wider justice system
- public safety and broader social implications associated with offending behaviour
- effective rehabilitation and reintegration of Māori by the corrections system.

However, changing attitudes to crime and any future legislative change could also impact on the issues being addressed by the Department.

A NEW APPROACH TO MANAGING OFFENDERS

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 integrated approach represents a new way of assessing an offender's risk of re-offending and their particular criminogenic 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 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. 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.

² The principles of the psychology of criminal conduct are found in Andrews and Bonta *The Psychology of Criminal Conduct* (2nd Edition), 1996. Department publications *Let there be Light*, *When the Bough Breaks*, *Montgomery House evaluation* and *Driving Offender Treatment Programme evaluation*.

In general, positive overall results in reducing re-offending come from being able to identify:

- people who are highly likely to re-offend upon release from their current sentence (that is, have a high “risk”)
- the factors, such as attitudes, thought processes, habits and addictions, that relate to offending
- a person’s level of willingness and ability to benefit from a therapeutic programme
- the right type of intensive, structured and long-running programme – real change is never easy or quick, even when the person is willing
- the right time for a programme to occur.

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



THE DEPARTMENT'S THEMES

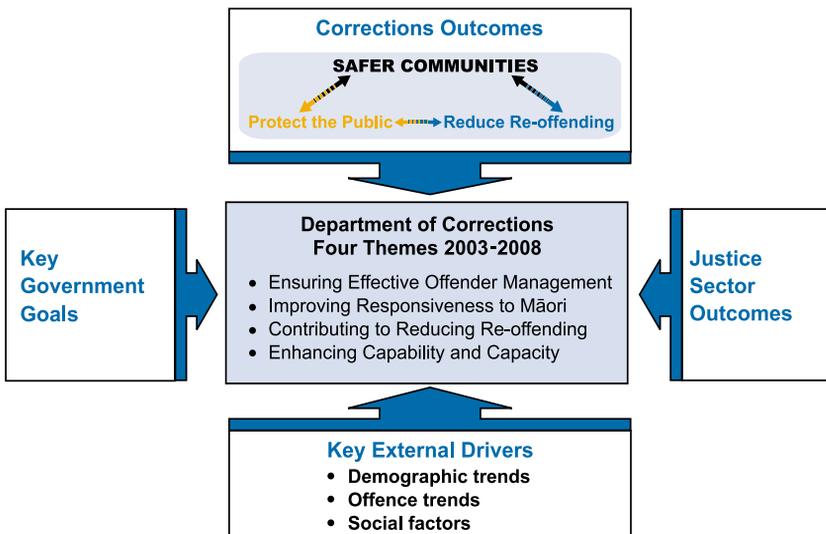
As the integrated approach to the management of offenders has become embedded in the business-as-usual processes, policies and procedures, the Department has been developing its next set of strategic business plans, which will outline the overall direction of the Department through to the end of the 2007/2008 financial year. The new Strategic Business Plan will be supported by the Department's revised Treaty of Waitangi Strategic Plan and the existing Pacific Strategy.

As part of the development of the new Strategic Business Plan the Department has identified the following four themes, which will underpin the work required in the coming years. The initiatives to be undertaken under each of the themes will assist the Department to consolidate the gains made so far and will also ensure the continued refinement of policies and processes that will assist with our overall contribution to the outcomes discussed earlier.

The four themes are:

- Ensuring Effective Offender Management
- Improving Responsiveness to Māori
- Contributing to Reducing Re-offending
- Enhancing Capability and Capacity.

The major influences on the themes are shown in the diagram below.



THE DEPARTMENT'S FOCUS FOR 2003/2004

The remainder of the Statement of Intent describes the themes, and focuses on the milestones, outputs and performance measures, to be delivered in the 2003/2004 financial year. This includes the details of the appropriation that the Department will operate within.

Themes and Milestones to be achieved in 2003/2004

THEME 1: ENSURING EFFECTIVE OFFENDER MANAGEMENT

The Department is committed to continuing to improve the way it manages offenders, both from a custodial and non-custodial perspective. Included under this theme are the milestones to be undertaken in 2003/2004 towards improving operational practices around the safe, secure, humane containment and management of offenders.

Key milestones for 2003/2004 include:

- Review prison security policies and develop best practice guidelines.
- Assess opportunities to improve the electronic monitoring of offenders serving community-based sentences.
- Implement strategies for improving the management of high-risk offenders, including improved information-sharing between agencies.
- Complete the screening and harm-minimisation pilots and implement initiatives designed to reduce the spread of communicable diseases within prisons.
- Continue to provide support as required for enactment of new corrections legislation and begin implementation if and when passed.
- Review and consolidate changes to both departmental policies and processes and those arising out of the introduction of the Sentencing Act 2002, the Parole Act 2002, and the Victims' Rights Act 2002.
- Continue implementation of the Department's *Strategy to Reduce Drug and Alcohol Use in New Zealand Prisons*.
- Prepare for the integration of the Auckland Central Remand Prison into the Department, subject to new corrections legislation being passed.
- Continue work with the Ministry of Health to develop an appropriate delivery model for the provision of health services to inmates and complete implementation of recommendations contained in the health review of prisons.
- Continue work with the Ministry of Health to enhance mental health services for prison inmates.

THEME 2: IMPROVING RESPONSIVENESS TO MĀORI

The Department acknowledges the importance of the Treaty of Waitangi as New Zealand's founding document and as the framework for the relationship between Māori and the Crown. The Treaty provides an opportunity to build relationships, strengthen communications and facilitate participation between Māori and Corrections. This participation improves the effectiveness of the services that Corrections provides and helps to achieve the contributory outcomes of Protect the Public and Reducing Re-offending.

The Department's revised Treaty of Waitangi Strategic Plan has identified three key areas of focus for the coming years. These are:

- **Partnership** – building relationships with Māori communities and agencies that lead to partnerships with Māori that are strategic, mutually beneficial and inclusive
- **Effectiveness** – providing quality programmes and services that are effective for Māori
- **Responsiveness** – building the capability and capacity of our staff and systems to enable us to better carry out our everyday business with Māori offenders, communities and providers.

Key milestones for 2003/2004 include:

- Implement the Māori Provider Development strategy.
- Complete the pilot of the Tikanga Māori Programme for Women and commence implementation subject to the evaluation of the pilot.
- Implement the Whanau Involvement Plan.
- Continue to pilot Māori Cultural Assessment.
- Continue to pilot Cultural Supervision.
- Implement Human Resource strategies that enhance responsiveness to Māori, including:
 - implementing strategies to increase the number of Māori staff and Māori managers
 - implementing Year 1 of the revised Māori Language Strategy.
- Investigate opportunities for Corrections Inmate Employment to establish joint ventures with Māori.
- Continue to develop a Kaupapa Māori framework.
- Establish more iwi partnership arrangements.

THEME 3: CONTRIBUTING TO REDUCING RE-OFFENDING

One of the key outcomes of the Department is to contribute towards an overall reduction in the level of re-offending, by changing offending behaviour through the provision of rehabilitative and reintegrative initiatives that will assist offenders to address their offending behaviour and assist with reintegrating them back into society.

Key milestones for 2003/2004 include:

- Implement the initiatives outlined for Year 2 of the Pacific Strategy, including to:
 - complete the Pacific Violence Prevention Programme pilot
 - undertake research into the specific issues and needs of New Zealand-born Pacific offenders
 - implement a Pacific provider development strategy.
- Complete, in conjunction with Child, Youth and Family, Year 2 of the Reducing Youth Offending Programme pilot and commence evaluation.
- Implement initiatives to improve the delivery of rehabilitative programmes for offenders, including transition to the delivery of programmes by a separate service delivery organisation.
- Review the integrated strategic approach to reducing the impacts of drugs and alcohol on offending, including reducing the use of drugs in prison.
- Review the implementation of reintegrative services for custodial and non-custodial offenders.
- Increase the number of industry-related NZQA unit standards delivered to inmates.
- Establish a faith-based unit at Rimutaka Prison.
- Contribute to the inter-departmental Circuit Breaker pilot on contract management in Waikato, and participate in national roll-out of agreed policy changes.

THEME 4: ENHANCING CAPABILITY AND CAPACITY

The main objective of the initiatives within this theme is to ensure that the Department has in place the people, support systems and infrastructure necessary to support the achievement of the initiatives outlined in the other three themes, and to ensure that assets entrusted to the Department are efficiently and effectively harnessed towards the achievement of Government outcomes.

The Department's new Strategic Business Plan is supported by strategies that cover the areas of Human Resources (HR), Facilities and Infrastructure, Information Technology (IT) and Communications. Initiatives from these strategies will be progressed under theme 4.

Key milestones for 2003/2004 include:

- Implement a range of initiatives to improve the Department's human resource capability, including:
 - an enhanced HR information/payroll system
 - revised recruitment and selection processes
 - revised induction processes and programmes that support ongoing staff development
 - a more integrated management development and succession planning framework.
- Continue to implement initiatives designed to enhance the Department's facilities and infrastructure, including:
 - progressing with implementation of the deferred maintenance plan, including:
 - cell strengthening at Christchurch Prison
 - new visitor facilities will be provided at Arohata Women's Prison
 - improvements to inmate receiving and health facilities at Manawatu Prison
 - reviewing design standards for specialist units (ie, youth, self-care, and Māori focus units).
- Continue the implementation of the regional prisons policy; this includes progressing work on:
 - Northland Region Corrections Facility - construction will continue with expected opening in April 2005
 - Spring Hill Men's Corrections Facility - appeals to the Environment Court are expected in 2003/2004
 - Auckland Region Women's Corrections Facility - progress on this facility is dependent on whether the favourable local authority decision is appealed to the Environment Court. If this occurs, then the Environment Court case is expected to be completed during 2003/2004

- Otago Region Men's Corrections Facility - the Resource Management Act process will be completed through the territorial authority stages during 2003/2004.
- Implement initiatives designed to improve the Department's responsiveness to Pacific peoples, including:
 - the development and implementation of strategies to increase the number and range of Pacific staff and managers
 - the establishment of Pacific community advisory groups and community liaison officers.
- Finalise and consolidate workplace health and safety management systems across the Department.
- Information Technology Systems:
 - continue to enhance the ability of IT systems to support departmental operational and management processes
 - continue support for the Justice Sector Information Strategy and other initiatives designed to improve the information flow between agencies
 - contribute to the development of e-government initiatives.
- Commence implementation of the Department's *Knowledge Management Strategy*.
- Submit Output Pricing Review case to Government and implement any subsequent decisions.
- Implement outstanding professional ethics strategy initiatives.
- Implement Government decisions for the recruitment and training of staff in the Community Probation Service.
- Complete implementation of Business Continuity Planning changes to ensure compliance with Civil Defence Emergency Management Act 2002.
- Complete development and begin implementation of the *Energy Management Strategy*.

2003 BUDGET DECISIONS

In August 2002 Ministerial approval was obtained for the Department of Corrections to undertake an Output Pricing Review. The purpose of conducting the Output Pricing Review was to determine with central agencies, such as The Treasury and the State Services Commission, the appropriate output process required to sustain the medium to long-term delivery of departmental outputs, with any funding issues to be incorporated as part of the 2003/2004 budget process.

Although the Output Pricing Review is ongoing, the following decisions have been made about the 2003/2004 financial year.

- Increase the number of Probation Officers and the amount of training they receive. This will address increases in volume and restore service levels.
- Increase resourcing to the Parole Board and Psychological Service as a result of volume increases. These volume increases have arisen since the passage of the Sentencing Act 2002 and the Parole Act 2002.
- Address cost increases for inmate food, rates and insurance.

In addition, the Department will implement budget decisions about a continuation of reintegrative support programmes, with outcome evaluation to be completed in 2003/2004, and reported to Ministers before 2004/2005.

OUTPUT CLASSES AND DELIVERY

The delivery of outputs within each output class directly contributes towards the achievement of the Department's contributory outcomes, by ensuring that the core business is appropriately specified within the priorities set by Parliament in its determination of what it expects the Department to deliver within the appropriation it receives. As outlined above, there is a clear link between the key Government goals, the justice sector outcomes and the Department's outcomes and themes.

Details of the outputs and their associated performance standards are set out in Part 2 (pages 57 to 111). The outputs in Part 2 are colour coded to show which Departmental outcome they contribute to: Protect the Public (orange) or Reduce Re-offending (blue). The relationship between the Department's outcomes and themes and outputs are set out in the diagram on the following page.

Outcome: Safer Communities

Protect the Public

- Provision of a safe environment for staff and the public
- Manage offenders in a safe, secure and humane manner
- Ensure appropriate compliance with, and administration of, sentences and orders
- Provision of information to the judiciary to inform the sentencing process and release conditions
- Supporting reparation to the community

Themes

- Ensuring Effective Offender Management
- Enhancing Capability and Capacity

Output Classes and Delivery

- Information Services
- Community-based Sentences and Orders
- Custody of Remand Inmates
- Escorts and Custodial Supervision
- Custodial Services
- Services to the New Zealand Parole Board
- Policy Advice and Development
- Service Purchase and Monitoring

Measuring Effectiveness

- Output quantity, quality, timeliness and cost
- International Benchmarks

Output Class 1: Information Services

- Sentencing Information and Advice to Courts
- Parole Information and Advice to the NZ Parole Board
- Home Leave Reports
- Home Detention Assessments to the NZ Parole Board
- Psychological Service Information and Advice to Courts and the NZ Parole Board

Output Class 2: Community-based Sentences and Orders

- Supervision
- Parole Orders
- Orders for Post-release Conditions
- Community Work
- Home Detention Orders

Output Class 3: Custody of Remand Inmates

Output Class 4: Escorts and Custodial Supervision

- Escort Services
- Courthouse Custodial Supervision Services

Output Class 5: Custodial Services

- Maximum Security Men
- Medium Security Men
- Minimum Security Men
- Women
- Male Youth
- Drug Reduction

Output Class 6: Inmate Employment

- Land-based Activities
- Manufacturing Activities
- Internal Service Self-sufficiency Activities
- Release-to-Work
- Vocational Training Services
- Community Services

Output Class 7: Rehabilitative Programmes & Reintegrative Services

- Rehabilitative Programmes - Responsivity/Motivational
- Community Residential Centres and Reducing Youth Offending Programmes
- Other Rehabilitative Programmes and Activities
- Education and Training
- Provision of Psychological Services
- Chaplaincy Services

Output Class 8: Services to the NZ Parole Board

Output Class 9: Policy Advice & Development

- Policy Advice & Development Services
- Ministerial Servicing
- Provision of Psychological and other Research

Output Class 10: Service Purchase and Monitoring

- Purchase & Monitoring of Service Delivery
- Provision of Inspectorate Services
- Provision of National Systems Services

Reduce Re-offending

Provision of targeted rehabilitative and reintegrative initiatives to change offending behaviour by providing:

- a risk and needs assessment for offenders to determine how best to address offending behaviour
- programmes to encourage offenders to address their offending behaviour and their offence related needs
- education, training and work experience
- assistance with accessing community services so that offenders can positively participate in, and be successfully integrated back into, society.

Themes

- Ensuring Effective Offender Management
- Improving Responsiveness to Maori
- Contributing to Reducing Re-offending
- Enhancing Capability and Capacity

Output Classes & Delivery

- Inmate Employment
- Rehabilitative Programmes and Reintegrative Services
- Policy Advice & Development

Measuring Effectiveness

- Output quantity, quality, timeliness and cost
- International Benchmarks
- Recidivism Index
- Rehabilitation Quotient

MEASURING EFFECTIVENESS

To see how the Department is progressing towards its outcomes, processes must be in place to measure achievement. Progress made towards achieving objectives and outcomes outlined in this Statement of Intent will be reported in the Department's 2003/2004 Annual Report. The Annual Report will detail the work the Department has done with respect to initiatives associated with the four themes, and the priority areas within those themes. It will also report on the performance measures associated with the output classes.

Measuring progress towards achieving outcomes can be difficult, especially when there are so many external factors influencing whether or not someone re-offends. Improved data and outcome monitoring standards (possible as part of offender management processes) have allowed for individual offenders to be identified at each part of his or her journey through the corrections system. The new management system can also tell when an offender leaves the system (ie, is released or has finished their sentence/order) and when they enter it again (ie, when they are re-imprisoned or reconvicted). The Department has developed a tool that, over time, will allow progress made towards reducing re-offending to be measured. The two primary measures are the Recidivism Index and the Rehabilitation Quotient. The Recidivism Index measures the Department's reducing re-offending performance as a whole, whereas the Rehabilitation Quotient measures the reducing re-offending capacity of a specific intervention.

Recidivism Index

The Recidivism Index (RI) measures the rate of proven re-offending of a specified group of offenders over a 12 and 24 month follow-up period, following release from a custodial sentence or the beginning 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.

Proven re-offending 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 in general. However, since the majority of convictions do not lead to imprisonment, reconviction to any sentence administered by the Department is measured.

Rehabilitation Quotient

The Rehabilitation Quotient (RQ) evaluates the effectiveness of rehabilitative and other interventions (ie, programmes or services) in reducing re-offending. It involves a comparison between a group receiving an intervention (the treatment group) and a group that does not go through that intervention but has a similar risk of re-offending (the control group).

RQ re-imprisonment is the reduction in re-imprisonment rate for a treatment group following an intervention. RQ re-imprisonment is measured by comparing the difference between the Recidivism Index (re-imprisonment) for the treatment group and the Recidivism Index (re-imprisonment) for the control group.

The introduction of Integrated Offender Management has meant that the rehabilitative and reintegrative interventions that the Department provides for offenders can be more specifically targeted to the offenders who need them. Assuming that the interventions address the criminogenic needs of offenders, it will lead to a reduction in re-offending in those offenders receiving interventions. The RQ will show these benefits.

Benchmarks

The Department uses international benchmarking to compare performance across a range of service delivery indicators. This is particularly important as the Department is positioned as both the purchaser and provider of services and is not always able to compare performance against internal (within New Zealand) organisations.

Benchmarking is also designed to support overall strategic advancement, as it provides the means by which quality improvement can be identified and effected.

Developing closer working relationships with overseas jurisdictions is an essential and integral part of the exercise. Information is now being exchanged on a regular basis between New Zealand, Australia, Canada, England & Wales, and Scotland.

PART
2

**FINANCIAL STATEMENTS AND
STATEMENT OF
SERVICE PERFORMANCE**

PART 2 – FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE

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STATEMENT OF RESPONSIBILITY

The forecast financial statements of the Department of Corrections presented in this report for the year ended 30 June 2004 have been prepared in accordance with section 34A of the Public Finance Act 1989.

In terms of this provision, I am responsible for the preparation and contents of this report. I accept responsibility for the integrity of the statements, including the forecast financial statements, contained in this report.

The forecast statement of objectives for output performance and the service performance objectives for output performance, the statement of objectives for financial performance, and the forecast financial statements, are as agreed with the Minister of Corrections as Minister responsible for the Department of Corrections.

I certify that this information is consistent with the appropriations contained in the Estimates of Appropriations for 2003/04, which are being laid before the House of Representatives under section 9 of the Public Finance Act 1989.



Signed
Mark Byers
Chief Executive
14 April 2003



Countersigned
Richard Morris
Chief Financial Officer
14 April 2003

FINANCIAL SUMMARY

Financial Highlights

The following financial highlights for the Department of Corrections present a forecast of performance for the year ending 30 June 2004.

In 2003/2004 the Department of Corrections expects to earn income of:

- \$439.860 million in revenue from the Crown
- \$24.994 million in revenue from other sources.

Expenses of \$464.854 million are expected in purchasing services that will be supplied and administered under the 10 departmental output classes.

The distribution of this expenditure is intended as follows:

- \$25.417 million (5.47 percent of the Vote) on psychological reports, remand pre-sentence reports, reparation reports, same-day reports, home detention reports and agreements, oral information reports and home leave and pre-release reports for prisons;
- \$56.036 million (12.05 percent of the Vote) on management and delivery of community-based sentences and orders through sentence management and sentence compliance services;
- \$46.048 million (9.91 percent of the Vote) on custodial remand services and provision of facilities to hold people charged with offences, and offenders convicted but not yet sentenced;
- \$5.877 million (1.26 percent of the Vote) on the transportation of inmates to and from court and their custody while at court;
- \$241.430 million (51.94 percent of the Vote) on custodial services, the provision of facilities, and administering sentences of imprisonment;
- \$34.439 million (7.41 percent of the Vote) on inmate employment, including the provision and administration of constructive activity and training opportunities designed to help address the underlying causes of criminal re-offending;
- \$43.666 million (9.39 percent of the Vote) on prison and community-based rehabilitative and reintegrative programmes, which incorporate psychological services designed to address the underlying causes of criminal re-offending, and on the administration of support services for inmates serving custodial sentences;
- \$4.283 million (0.92 percent of the Vote) on services to the New Zealand Parole Board relating to the provision of administrative, financial and secretariat services;
- \$4.138 million (0.89 percent of the Vote) on development of policies, and Ministerial servicing relating to the reduction of re-offending, the effective management of corrective services, and the review, evaluation and development of service standards;

- \$3.520 million (0.76 percent of the Vote) on contract management, national systems, inspectorate services and custodial assurance.

The Department will also receive a capital contribution of \$97.520 million to construct corrections facilities at Otago, Auckland and Northland, and for deferred maintenance and prison security.

More details of how each of the output classes will be spent are given in tables contained in pages 57 to 111.

The Department of Corrections manages a Government investment (through taxpayers' funds) of \$713.556 million and expects a negative net cash flow from operations and investment of \$107.075 million.

The financial information in pages 38 to 56 consists of forecasts. The actual results achieved for the periods covered are likely to vary from the information presented, and the variations may be material.

FINANCIAL HIGHLIGHTS

Financial highlights for the financial years ending 30 June 2003 and 30 June 2004

	2002/03 Budget \$000	2002/03 Estimated Actual \$000	2003/04 Budget \$000
Revenue: Crown	435,207	431,389	439,860
Revenue: Department	-	924	1,496
Revenue: Other	23,498	26,498	23,498
Interest	-	-	-
Output expenses	458,705	458,811	464,854
Net surplus/(deficit)	-	-	-
Taxpayers' funds	637,768	616,036	713,556
Net cash flows from operating and investing activities	(104,472)	(69,158)	(107,075)

STATEMENT OF FINANCIAL PERFORMANCE

Statement of financial performance for the financial years ending 30 June 2003 and 30 June 2004

	2002/03 Budget \$000	2002/03 Estimated Actual \$000	2003/04 Budget \$000
Revenue:			
Crown	435,207	431,389	439,860
Department	-	924	1,496
Other	23,498	26,498	23,498
Interest	-	-	-
Total Revenue	458,705	458,811	464,854
Output expenses:			
Personnel	216,143	220,257	225,872
Operating	146,936	144,948	135,974
Depreciation	45,000	45,000	46,500
Provisions	-	-	-
Loss arising from revaluation of land and buildings	-	-	-
Other output expenses	-	-	-
Capital charge	50,626	48,606	56,508
Total output expenses	458,705	458,811	464,854
Surplus/(deficit) from operations	-	-	-
Profit/(loss) on sale of physical assets	-	-	-
Other (non-output) expenses	-	-	-
Net surplus/(deficit)	-	-	-

STATEMENT OF FINANCIAL POSITION

Statement of financial position as at 30 June 2002, 30 June 2003 and 30 June 2004

	Actual Position As at 30 June 2002 \$000	Estimated Actual Position as at 30 June 2003 \$000	Projected Position as at 30 June 2004 \$000
Assets			
Current assets			
Cash and bank balances	56,972	37,837	28,282
Short-term deposits with the Crown	-	-	-
Pre-payments	502	600	600
Debtors and receivables	2,472	2,900	2,900
Inventory	3,240	3,500	3,500
Debtor Crown	-	-	-
Total current assets	63,186	44,837	35,282
Non-current assets			
Livestock	8,487	9,287	9,287
Investments	3,714	3,700	3,700
Long-term deposits with the Crown	-	-	-
Receivables and advances	-	-	-
Physical assets	568,391	635,212	742,287
Intangible assets	-	-	-
Total non-current assets	580,592	648,199	755,274
Total assets	643,778	693,036	790,556
Liabilities			
Current liabilities			
Creditors and payables	44,848	44,000	44,000
Capital charge payable	-	-	-
Provision for repayment of surplus	6,672	-	-
Provision for employee entitlements	23,957	24,000	24,000
Other current liabilities	-	-	-
Total current liabilities	75,477	68,000	68,000

STATEMENT OF FINANCIAL POSITION *continued*

	Actual Position As at 30 June 2002 \$000	Estimated Actual Position as at 30 June 2003 \$000	Projected Position as at 30 June 2004 \$000
Term liabilities			
Payables and provisions	-	-	-
Provision for employee entitlements	8,960	9,000	9,000
Other term liabilities	-	-	-
Total term liabilities	8,960	9,000	9,000
Total liabilities	84,437	77,000	77,000
Taxpayers' funds			
General funds	555,834	612,529	710,049
Revaluation reserves	3,507	3,507	3,507
Total taxpayers' funds	559,341	616,036	713,556
Total liabilities and taxpayers' funds	643,778	693,036	790,556

STATEMENT OF CASH FLOWS

Statement of cash flows for the financial years ending 30 June 2003 and 30 June 2004

	2002/03 Budget \$000	2002/03 Estimated Actual \$000	2003/04 Budget \$000
Cash flows from operating activities			
Cash provided from:			
Supply of outputs to:			
Crown	435,207	431,389	439,860
Departments	-	924	1,496
Other	23,498	26,070	23,498
Cash disbursed to:			
Output expenses	(363,079)	(364,479)	(361,846)
Capital charge	(50,626)	(48,606)	(56,508)
Other expenses	-	-	-
Net cash flows from operating activities	45,000	45,298	46,500
Cash flows from investing activities			
Cash provided from:			
Sale of investments	-	14	-
Sale of physical assets	2,000	2,550	1,950
Cash disbursed to:			
Purchase of investments	-	-	-
Purchase of physical assets	(151,472)	(117,020)	(155,525)
Net cash flows from investing activities	(149,472)	(114,456)	(153,575)
Cash flows from financing activities			
Cash provided from:			
Capital contribution from the Crown	84,339	56,695	97,520
Cash disbursed to:			
Payment of surplus to the Crown	-	(6,672)	-
Repayment of capital to the Crown	-	-	-
Net cash flows from financing activities	84,339	50,023	97,520
Net increase/(decrease) in cash held	(20,133)	(19,135)	(9,555)
Opening total cash balances at 1 July	25,837	56,972	37,837
Closing cash balances as of 30 June	5,704	37,837	28,282

RECONCILIATION OF NET OPERATING CASH FLOWS

Reconciliation of net surplus to net operating cash flows for the financial years ending 30 June 2003 and 30 June 2004

	2002/03 Budget \$000	2002/03 Estimated Actual \$000	2003/04 Budget \$000
Operating surplus/(deficit)	-	-	-
Add/(deduct) non-cash items			
Loss arising from the devaluation of land and buildings	-	-	-
Loss on sale of a fixed asset	-	-	-
Pension expenses	-	-	-
Unrealised foreign currency exchange (gain)/loss	-	-	-
Depreciation and amortisation	45,000	45,000	46,500
Other non-cash items	-	-	-
Add/(deduct) Working Capital movements			
(Increase)/decrease in inventories	-	(260)	-
(Increase)/decrease in debtors and receivables	-	(428)	-
(Increase)/decrease in debtor Crown	-	-	-
(Increase)/decrease in pre-payments	-	(98)	-
(Increase)/decrease in creditors and payables	-	1,001	-
(Increase)/decrease in capital charge payable	-	-	-
(Increase)/decrease in other accrued liabilities	-	-	-
(Increase)/decrease in employee entitlements	-	83	-
Other items	-	-	-
Net Working Capital movements	-	298	-
Net cash flows from operating activities	45,000	45,298	46,500

STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS (EQUITY)

Statement of movements in taxpayers' funds (equity) for the financial years ending 30 June 2003 and 30 June 2004

	Estimated Position as at 30 June 2003 \$000	Projected Position as at 30 June 2004 \$000
Taxpayers' funds at start of period	559,341	616,036
Add/(deduct) fundamental errors	-	-
Amended taxpayers' funds at start of period	559,341	616,036
Movements during the year (other than flows to and from the Crown)		
Add/(deduct) net surplus/(deficit)	-	-
Increase/(decrease) valuation reserves	-	-
Add/(deduct) currency translation difference	-	-
Other	-	-
Total recognised revenues and expenses for the period	-	-
Adjustment for flows to and from the Crown		
Add capital contributions from the Crown during the period	56,695	97,520
(Deduct) distributions to the Crown during the period	-	-
Capital withdrawals	-	-
Provision for payment of surplus to the Crown	-	-
Other	-	-
Add/(deduct)		
Asset/liability transfers between the Department and the Crown	-	-
Asset/liability transfers between departments	-	-
Total adjustments for flow to and from the Crown	-	-
Taxpayers' funds at end of period	616,036	713,556

DETAILS OF FIXED ASSETS

Details of fixed assets, by category, as at 30 June 2003 and 30 June 2004

	30 June 2003 Projected Position			30 June 2004 Projected Position		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
	\$000	\$000	\$000	\$000	\$000	\$000
Land	77,225	-	77,225	78,925	-	78,925
Forests	39,376	-	39,376	39,876	-	39,876
Buildings	475,766	26,500	449,266	607,791	54,700	553,091
Plant and equipment	26,745	18,919	7,826	30,245	21,719	8,526
Leasehold improvements	7,007	4,465	2,542	7,607	4,915	2,692
Furniture and fittings	7,932	4,939	2,993	9,132	5,239	3,893
Motor vehicles	29,790	15,191	14,599	30,790	16,691	14,099
Computer equipment	84,816	43,431	41,385	91,816	50,631	41,185
Total	748,657	113,445	635,212	896,182	153,895	742,287

STATEMENT OF OBJECTIVES

FINANCIAL PERFORMANCE

Financial performance indicators for the financial years ending 30 June 2003 and 30 June 2004

	Unit	2002/03 Budget	2002/03 Estimated	2003/04 Budget
Operating results				
Revenue other	\$000	23,498	26,498	23,498
Revenue department	\$000	-	924	1,496
Revenue interest	\$000	-	-	-
Output expenses	\$000	458,705	458,811	464,854
Other expenses	\$000	-	-	-
Operating surplus before capital charge	\$000	50,626	48,606	56,508
Net surplus/(deficit)	\$000	-	-	-
Working capital				
Liquid ratio		1 :3.07	1 :1.06	1 :1.38
Net current assets	\$000	(39,746)	(23,163)	(32,718)
Current ratio		1:3.89	1:1.52	1:1.93
Average debtors outstanding	days	61	37	45
Average creditors outstanding	days	32	32	32
Working capital as % of total taxpayers' funds	%	(6.2)	(3.8)	(4.6)
Resource utilisation				
Total physical assets at year-end	\$000	675,727	635,212	742,287
Additions as % of physical assets	%	22.4	18.1	21.0
Current assets as % of total assets	%	2.0	6.5	4.5
Taxpayers' funds:				
Level at year-end	\$000	637,768	616,036	713,556
Forecast net cash flows				
Surplus/(deficit) operating activities	\$000	45,000	45,298	46,500
Surplus/(deficit) investing activities	\$000	(149,472)	(114,456)	(153,575)
Surplus/(deficit) financing activities	\$000	84,339	50,023	97,520
Net increase/(decrease) in cash held	\$000	(20,133)	(19,135)	(9,555)

OUTPUT OPERATING STATEMENTS

The Department of Corrections is committed to providing output classes in 2003/2004 that meet the requirements of the Minister of Corrections and other stakeholders in terms of each class's nature, quantity, quality, timeliness and cost.

Departmental output classes to be delivered by the Department of Corrections for the year ending 30 June 2004, and their associated revenue, expenses and surplus or deficit, are summarised in the table below.

Output operating statements for the financial year ending 30 June 2004.

Departmental Output Class	Description	Revenue Crown \$000	Revenue Depts \$000	Revenue Other \$000	Total Expenses \$000	Surplus/ (deficit) \$000
Vote Corrections						
Output Class 1:	Provision of					
Information Services	psychological, pre-sentence, reparation, home leave and pre- release reports to courts and the Parole Board	25,417	-	-	25,417	-
Output Class 2:	Management and					
Community- based sentences and orders	delivery of community-based sentences and orders through case management and sentence compliance services	56,036	-	-	56,036	-
Output Class 3:	Provision of					
Custody of Remand Inmates	facilities to hold people charged with offences, and people convicted for offences, but not yet sentenced	46,048	-	-	46,048	-
Output Class 4:	Transportation of					
Escorts and Custodial Supervision	inmates and their custody while at court	5,877	-	-	5,877	-
Output Class 5:	Provision of facilities					
Custodial Services	and administering sentences of imprisonment	241,430	-	-	241,430	-

OUTPUT OPERATING STATEMENTS *continued*

Departmental Output Class	Description	Revenue Crown \$000	Revenue Depts \$000	Revenue Other \$000	Total Expenses \$000	Surplus/ (deficit) \$000
Output Class 6:	Provision and					
Inmate	administration of	10,941	-	23,498	34,439	-
Employment	employment and related training activities					
Output Class 7:	Provision of prison					
Rehabilitative	and community-	42,170	1,496	-	43,666	-
Programmes	based rehabilitative					
and	and reintegrative					
Reintegrative	programmes					
Services						
Output Class 8:	Provision of					
Services to the	administrative,	4,283	-	-	4,283	-
New Zealand	financial, and					
Parole Board	secretariat services					
Output Class 9:	Development of					
Policy Advice	policies, and	4,138	-	-	4,138	-
and	Ministerial					
Development	servicing					
Output Class 10:	Contract management,					
Service	national systems	3,520	-	-	3,520	-
Purchase and	inspectorate services					
Monitoring	and custodial assurance					

SUPPORTING STATEMENTS

STATEMENT OF ACCOUNTING POLICIES for the Year Ending 30 June 2004

Reporting Entity

The Department of Corrections is a government department as defined by section 2 of the Public Finance Act (1989).

These are the financial statements of the Department of Corrections prepared pursuant to section 35 of the Public Finance Act (1989).

Reporting Period

The reporting period covers the 12 months from 1 July 2003 to 30 June 2004. Comparative projected figures for the year ended 30 June 2003 are provided.

Measurement System

These financial statements have been prepared on the basis of modified historical cost.

Principles of Consolidation

Interdivisional transactions and internal charges have been eliminated on consolidation.

Revenue

The Department derives revenue through the provision of outputs to the Crown and from the sale of goods and services to third parties. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Cost Allocation to Outputs

Salaries and related costs of service delivery divisions are charged to outputs on the basis of activity analysis. Activities which are directly related to individual outputs are regarded as direct costs and charged accordingly.

All other costs of service delivery divisions and total costs of support groups are regarded as indirect costs to outputs and are allocated to outputs on the basis of measurement of resource consumption or activity analysis.

Receivables

Receivables are recorded at estimated realisable value, after providing for doubtful and uncollectable debts.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease expenses are recognised on a systematic basis over the period of the lease.

Property, Plant and Equipment

Land and buildings are stated at fair value as determined by an independent registered valuer. Fair value is determined using market-based evidence, except for prison buildings which are valued at optimised depreciated replacement cost. Land and buildings are revalued at least every three years. Additions between revaluations are recorded at cost.

The results of revaluing land and buildings are credited or debited to the asset revaluation reserve. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the Statement of Financial Performance.

Land and buildings were last revalued as at 30 June 2002.

All other fixed assets, or groups of assets forming part of a network which are material in aggregate, costing more than \$3,000 are capitalised and recorded at cost. Any write-down of an item to its recoverable amount is recognised in the Statement of Financial Performance.

Forests

The tree crop is valued annually at market value on the basis that the Department retains the forests to maturity. The market value is based on a three-year rolling average of prices published by the Ministry of Forestry.

The result of revaluing forestry is credited or debited to an asset revaluation reserve for that class of asset. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the Statement of Financial Performance.

Depreciation

Depreciation is provided on a straight-line basis on all fixed assets, other than freehold land, forestry and items under construction, over their estimated economic useful lives. There is no allowance for residual values, except for "motor vehicles – other", which have a residual value of 20 percent of cost. Revalued assets are depreciated on their revalued amount on a straight-line basis over their remaining useful lives.

The economic useful lives and associated depreciation rates of classes of assets have been estimated as follows:

Buildings – structure	50 years	(2%)
Buildings - fit-outs	various	(various)
Hut complexes	25 years	(4%)
Hut fit-outs	various	(various)
Leasehold improvements	10 years	(10%)
Plant and machinery	10 years	(10%)
Office equipment	5 years	(20%)
Tools and equipment	5 years	(20%)
Furniture and fittings – office	5 years	(20%)
Furniture and fittings – inmate	3 years	(33.3%)
Information technology – network	5 years	(20%)
Information technology – specialised	various	(various)
Information technology – PC based	3 years	(33.3%)
Motor vehicles – heavy duty	8 years	(12.5%)
Motor vehicles – other	5 years	(20%)

The useful life of buildings is reassessed following any revaluation.

Where the fixed term of a lease is for less than 10 years, excluding rights of renewal, the useful life for leasehold improvements is set at that lesser period.

Depreciation is not provided on capital work in progress, land or forests.

Inventory

Finished goods, raw materials and work in progress are valued at the lower of cost or net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the first-in first-out basis for finished goods and work in progress, and the weighted-average basis for raw materials. Cost comprises direct material and direct labour together with an appropriate portion of fixed and variable production overheads.

Employee Entitlements

Provision is made in respect of the Department's liability for annual, long service and retirement leave. Annual leave is measured at nominal values on an actual entitlement basis at current rates of pay.

Entitlements that are payable beyond 12 months, such as long service leave and retirement leave, have been calculated on an actuarial basis based on the present value of expected future entitlements.

Statement of Cash Flows

Cash means cash balances on hand and held in bank accounts.

Operating activities include cash received from all income sources of the Department and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise capital injections by, or repayment of capital to, the Crown.

Livestock

Livestock is valued annually using Inland Revenue's national average market value. Gains due to changes in the per head value of the livestock herd at balance date are taken to the revaluation reserve. Losses due to changes in the per-head value are applied against the revaluation reserve to the extent that there are sufficient reserves, otherwise they are taken to the Statement of Financial Performance. Gains and losses due to changes in livestock numbers are taken directly to the Statement of Financial Performance.

Investments

Investments are valued at the lower of cost or net realisable value. Investments arise from the Department's dealings with companies in the farming industry.

Foreign Currency

Foreign currency transactions are converted into New Zealand dollars at the exchange rate at the date of the transaction. Where a forward exchange contract has been used to establish the price of a transaction, the forward rate specified in that foreign exchange contract is used to convert that transaction to New Zealand dollars. Consequently, no exchange gain or loss resulting from the difference between the forward exchange contract rate and the spot exchange rate on date of settlement is recognised.

Financial Instruments

The Department is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors and creditors. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Except for those items covered by a separate accounting policy all financial instruments are shown at their estimated fair value.

Goods and Services Tax (GST)

The Statement of Financial Performance, Statement of Movements in Taxpayers' Funds and Statement of Cashflows are exclusive of GST. The Statement of Financial Position is also exclusive of GST except for Creditors and Payables, and Debtors and Receivables, which are GST inclusive. All other statements are GST inclusive.

The amount of GST owing to the Inland Revenue Department at balance date, being the difference between output GST and input GST, is included in Creditors and Payables.

Taxation

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 1994. Accordingly, no charge for income tax has been provided for.

Taxpayers' Funds

This is the Crown's net investment in the Department.

Changes in Accounting Policies

There have been no changes in accounting policies, including cost allocation accounting policies, since the date of the last audited financial statements.

All policies have been applied on a basis consistent with the previous year.

GST STATUS OF DEPARTMENTAL OUTPUT CLASSES

The forecast financial statements in this Report present expenses (and revenue) exclusive of GST, in accordance with generally accepted accounting practice. When appropriated by Parliament, these expenses are inclusive of GST, in accordance with legislation.

- The GST-exclusive amounts for each departmental output class correspond to “total expenses” for 2003/04 appearing in the Output Operating Statements in this report. The aggregate amount for all 10 output classes corresponds to “total output expenses” for 2003/04 in the Statement of Forecast Financial Performance table.
- The GST-inclusive amounts for each departmental output class correspond to the annual appropriations (in bold) for 2003/04 appearing in Part C1 of *Estimates of Appropriations: Vote Corrections*.

This information is summarised in the table below.

Summary of the departmental output classes for the financial year ending 30 June 2004

GST STATUS OF DEPARTMENTAL OUTPUT CLASSES

Departmental Output Classes	GST exclusive (SOI) \$000	GST \$000	GST inclusive (vote) \$000
Information Services	25,417	3,177	28,594
Community-based Sentences and Orders	56,036	7,005	63,041
Custody of Remand Inmates	46,048	5,757	51,805
Escorts and Custodial Supervision	5,877	734	6,611
Custodial Services	241,430	30,179	271,609
Inmate Employment	34,439	4,305	38,744
Rehabilitative Programmes	43,666	5,458	49,124
New Zealand Parole Board	4,283	535	4,818
Policy Advice and Development	4,138	517	4,655
Service Purchase and Monitoring	3,520	440	3,960
Total Departmental Output Class	464,854	58,107	522,961

SERVICE PERFORMANCE OBJECTIVES

– OUTPUT PERFORMANCE

for the year ending 30 June 2004

OUTPUT CLASS 1: INFORMATION SERVICES

This output class covers the provision of information as requested by the courts and the New Zealand Parole Board to inform their respective decision-making processes. It includes the provision of psychological reports, remand pre-sentence reports (level 2 assessment reports), reparation reports, same-day reports (level 1 assessment reports), home detention reports and assessments, oral information reports and home leave and pre-release reports for prisons. Special purpose reports and advice are prepared for other relevant entities. Also included is the time Probation Officers spend attending court hearings.

Output 1.1 – Sentencing Information and Advice to Courts

This output entails the preparation of reports (relating to remand pre-sentence (level 2), reparation including emotional harm, same-day (level 1), special purpose reports and oral information) that provide the sentencing judge with information on offenders, to assist with the sentencing process. Also included is the time a Probation Officer spends attending court. This service includes attendance at court, prosecutions, and attendance at sentencing resulting from Community Probation Service-initiated proceedings.

Sentencing Information and Advice to Courts

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of reports to courts ³ :	25,000-29,000	30,000-34,000
The number of hours for attendance at courts:	52,000-57,000	50,000-55,000
Quality		
The percentage of reports provided to the standards contained in the relevant service descriptions and Probation and Offender Services Manual to be no less than:		
	95%	95%
<ul style="list-style-type: none"> • written reports in a specified format • verification process specified/rationale for no verification • concise, logical and grammatically correct • clear statement of recommendation consistent with the law. 		
The number of written complaints from judges to be no more than:	15	15
Timeliness		
The percentage of reports to courts provided to a timetable set through service level agreements to be no less than:		
	98%	98%

³ Reports include pre-sentence (level 1 and level 2), reparation, and oral information reports.

Output 1.2 – Parole Information and Advice to the New Zealand Parole Board

This output entails the preparation of pre-release reports that provide information to the New Zealand Parole Board about an inmate’s proposed residence and work, and the potential programmes that the inmate should undertake on release from prison. Included is the time spent investigating release options and reporting on those and appropriate conditions.

Parole Information and Advice to the New Zealand Parole Board

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of New Zealand Parole Board pre-release reports prepared for inmates:	4,400	4,181-4,619
Quality		
The percentage of New Zealand Parole Board pre-release reports provided to the standards contained in the relevant service descriptions, Public Prisons Service Manual and Public Prisons Service Sentence Management Manual:	100%	100%
<ul style="list-style-type: none"> the reports are clear and concise, identifying major points to enable the Board to make a decision on the inmate’s release the reports must identify whether statements are fact or opinion; findings are to be derived from the body of the report; recommendations are to address issues, be capable of being implemented and demonstrate that they will achieve the results required each inmate is involved in the development of his or her report reports for the New Zealand Parole Board are provided at least one month before the Board sits. 		
Timeliness		
The percentage of New Zealand Parole Board pre-release reports provided within the deadlines set by the Board:	100%	100%

Output 1.3 – Home Leave Reports

This output entails the provision of home leave reports, including investigating the suitability of the sponsor and residence. The Public Prisons Service has the delegated authority to consider and approve home leave proposals. Community reaction to the planned home leave and the suitability of the proposed accommodation by an inmate is also assessed.

Home Leave Reports

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of home leave reports:	1,200-1,400	1,300-1,500
Quality		
The percentage of home leave reports provided to the standards contained in the relevant service descriptions and Probation and Offender Services Manual to be no less than:	98%	98%
<ul style="list-style-type: none"> • reports completed and all questions addressed • concise, logical and grammatically correct. 		
Timeliness		
The percentage of home leave reports provided within two weeks of request to be no less than:	98%	98%

Output 1.4 – Home Detention Assessments to the New Zealand Parole Board

This output entails the preparation of reports and assessments to the New Zealand Parole Board. The reports are to meet the application criteria including an assessment of the rehabilitative needs of the offender and his or her suitability to serve a sentence under home detention.

Home Detention Assessments to the New Zealand Parole Board

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of home detention specialist reports:	3,000-3,600	2,200-2,400
Quality		
The percentage of home detention specialist reports provided to the standards contained in the relevant service descriptions and Probation and Offender Services Manual to be no less than:	98%	98%
<ul style="list-style-type: none"> • written reports in a specified format • verification process specified/rationale for no verification • concise, logical and grammatically correct • statement of recommendations consistent with the law. 		
Timeliness		
The percentage of home detention specialist reports provided within two weeks of request to be no less than:	98%	98%

Output 1.5 – Psychological Service Information and Advice to Courts and the New Zealand Parole Board

This output entails the preparation of reports that provide the sentencing judge with information on offenders and also entails the assessment, analysis and reporting on offenders who are to appear before the New Zealand Parole Board.

Psychological Service Information and Advice to Courts and the New Zealand Parole Board

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of New Zealand Parole Board reports:	570-630	570-630 ⁴
The number of reports to courts:	100	100
Quality		
The percentage of New Zealand Parole Board reports provided to the standards contained in service descriptions and the Psychological Service Manual to be no less than:	98%	98%
The percentage of reports to courts provided to the standards contained in the service descriptions and Psychological Service Manual to be no less than:	98%	98%
<ul style="list-style-type: none"> • written reports in a specified format • concise, logical and grammatically correct • source and reason for referral are clearly stated • all relevant and appropriate information included • sources of information well documented and verified • clear statement of recommendations for further investigation • complies with the Code of Ethics of the NZ Psychological Society 1986. 		
Timeliness		
The percentage of New Zealand Parole Board reports provided within deadlines set by the Board to be:	100%	100%
The percentage of reports to courts provided to a timetable set through service level agreements to be:	100%	100%

⁴ Revised budget projections as amended through 2002/2003 Supplementary Estimates.

Costs for Output Class 1: Information Services

for the year ending 30 June 2004

Outputs in this class will be provided within the appropriated sum of \$28.594 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Other (GST exclusive) (\$000)
2003/04 SOI	28,594	25,417	25,417	25,417	-
2002/03 Supp Ests	26,576	23,623	23,623	23,623	-
2002/03 SOI	27,107	24,095	24,095	24,095	-

OUTPUT CLASS 2: COMMUNITY-BASED SENTENCES AND ORDERS

This output class provides for the management and delivery of community-based sentences and orders through sentence management and sentence compliance services. Included as part of these are the sentences of supervision and community work and orders such as home detention, parole and post-release conditions.

The services provided meet the terms of judicial decisions on sentences in each case, and also provide opportunities for offenders to acknowledge their responsibilities and address offending behaviour.

It provides for an estimated throughput of 43,800 new sentences and orders.

Outcome

The following outcome measures will be used to determine the effectiveness of the Department's initiatives in this output class to reduce re-offending with the percentage of offenders:

- not re-imprisoned within 12 months of their release from prison
- not re-imprisoned within 24 months of their release from prison
- conviction-free 12 months after the completion of their sentence/order
- conviction-free 24 months after the completion of their sentence/order.

The outcomes will be reported on in the Department's 2003/2004 Annual Report. This also relates to Output Class 5 and Output Class 7.

Output 2.1 – Supervision

This output ensures that offenders sentenced to supervision report regularly to their Probation Officer and, if ordered by the court, fulfil special conditions that will address the reasons for their offending. Supervision may include in-depth, focused interventions such as rehabilitation or reintegration programmes or counselling.

Supervision

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of supervision sentences:	5,800-6,800	5,300-6,300 ⁵
Quality		
The percentage of offenders who comply with the special conditions imposed as part of their sentence to be no less than:	68%	68%

⁵ Revised budget projections as amended through 2002/2003 Supplementary Estimates.

Output 2.2 – Community Work

This output ensures that an offender sentenced to community work completes the sentenced number of hours work within the community. It provides for reparation to the community. The type of community work that can be performed is specified in the Sentencing Act 2002.

Community Work

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of community work sentences:	28,000-30,000	28,400-30,400 ⁶
Quality		
The percentage of offenders who successfully complete a community work sentence to be no less than:	70%	70%

Output 2.3 – Home Detention Orders

This output entails the administering of home detention orders imposed by the New Zealand Parole Board. Under the conditions of these orders, the offender resides at home under strict conditions and with strict monitoring of those conditions. Offenders may be required to undertake a rehabilitation or reintegration programme or counselling that addresses their offending.

Home Detention Orders

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of offenders directed to complete a home detention order:	1,500-1,700	1,400-1,500 ⁷
Quality		
The percentage of offenders on home detention with a sentence plan to address their rehabilitative needs, or are in employment, to be no less than:	98%	new standard

^{6,7} Revised budget projections as amended through 2002/2003 Supplementary Estimates.

Output 2.4 – Parole Orders

This output entails the administering of an order imposed by the New Zealand Parole Board, which is administered by a Probation Officer. It includes a Probation Officer meeting regularly and working closely with an offender subject to a parole order, and ensuring that special conditions imposed by the Board are fulfilled.

Parole Orders

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of inmates directed to complete a parole order:	2,000-2,500	2,100-2,300 ⁸
Quality		
The percentage of offenders who comply with the special conditions imposed as part of their order to be no less than:	65%	65%

Output 2.5 – Orders for Post-release Conditions

This output entails administering post-release conditions for inmates with short sentences, as imposed by the judiciary at the time of sentencing, and administered by a Probation Officer.

Orders for Post-release Conditions

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of inmates released on post-release conditions imposed by the court:	2,400-2,800	1,700-1,900 ⁹
Quality		
The percentage of offenders who comply with the conditions imposed as part of their order to be no less than:	65%	65%

^{8,9} Revised budget projections as amended through 2002/2003 Supplementary Estimates.

Costs for Output Class 2: Community-based Sentences and Orders

for the year ending 30 June 2004

Outputs in this class will be provided within the appropriated sum of \$63.041 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Other (GST exclusive) (\$000)
2003/04 SOI	63,041	56,036	56,036	56,036	-
2002/03 Supp Ests	60,076	53,401	53,401	53,401	-
2002/03 SOI	58,872	52,330	52,330	52,330	-

OUTPUT CLASS 3: CUSTODY OF REMAND INMATES

This output class provides for safe, secure and humane services and facilities to hold people charged with offences, and offenders convicted but not yet sentenced and to enable their appearance before the courts as required.

It provides for an estimated throughput of 8,657 new remand inmates, representing an average prison population of 943 remand inmates. This demand is met by approximately 1,017 beds across 16 remand facilities with any overflow accommodated in segregated custodial facilities.

Output 3.1 – Custody of Remand Inmates

This output entails the administration of custodial remands in a custodial environment. It incorporates the costs of accommodation, security, transport, food and medical care, but not the cost of employment or specific reintegrative interventions.

Custody of Remand Inmates

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The average number of remand inmates held by the		
• Auckland Central Remand Prison:	257	257
• Public Prisons Service:	686	672
Quality		
The number of breakouts per annum to be no more than:	2	2
The number of all other escapes per annum to be no more than:	1	1
The number of breakouts per annum from Auckland Central Remand Prison to be:	0	0

Costs for Output Class 3: Custody of Remand Inmates

for the year ending 30 June 2004

Outputs in this class will be provided within the appropriated sum of \$51.805 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Other (GST exclusive) (\$000)
2003/04 SOI	51,805	46,048	46,048	46,048	-
2002/03 Supp Ests	54,546	48,485	48,485	48,485	-
2002/03 SOI	51,314	45,612	45,612	45,612	-

OUTPUT CLASS 4: ESCORTS AND CUSTODIAL SUPERVISION

This output class provides for safe, secure and humane services and facilities for transportation of inmates to and from court, and their safe and humane custody while at court.

Output 4.1 – Escort Services

This output entails the safe, secure and humane transportation of remand inmates and sentenced inmates to and from court.

	Performance Standard	
	2003/2004	2002/2003
Escort Services		
Quantity		
The number of inmates escorted to and from court in		
• Northland/Auckland (including Police escorts) ¹⁰ :	26,487-29,011	23,305-25,525
• remainder of New Zealand (excluding Police escorts) ¹¹ :	7,835-8,648	7,835-8,648
Quality		
The number of escapes by inmates during escort to and from court to be no more than:		
	1	1

¹⁰ Provided by the PECCS contract

¹¹ Provided by Public Prisons Service

Output 4.2 – Courtroom Custodial Supervision Services

This output entails the safe, secure and humane custody of remand and sentenced inmates while they are at court.

Courtroom Custodial Supervision Services

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of inmates supervised in courts in		
• Northland/Auckland ¹² :	5,944-6,558	5,230-5,770
• the remainder of New Zealand ¹³ :	8,512-9,388	8,512-9,388
Quality		
The number of escapes by remand inmates and sentenced inmates while they are held in custody at court to be:	0	0

Costs for Output Class 4: Escorts and Custodial Supervision

for the year ending 30 June 2004

Outputs in this class will be provided within the appropriated sum of \$6.611 million (inclusive of GST).

Year	Cost		Total	Revenue	Revenue
	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Revenue (GST exclusive) (\$000)	Crown (GST exclusive) (\$000)	Other (GST exclusive) (\$000)
2003/04 SOI	6,611	5,877	5,877	5,877	-
2002/03 Supp Ests	6,129	5,448	5,448	5,448	-
2002/03 SOI	6,665	5,924	5,924	5,924	-

¹² Provided by the PECCS contract

¹³ Provided by Public Prisons Service

OUTPUT CLASS 5: CUSTODIAL SERVICES

This output class covers the provision of custodial services and the administration of custodial sentences in safe, secure and humane conditions for both male and female inmates classified as maximum, medium and minimum security. Youth under 17 years of age and vulnerable 17 to 19 year-olds will be housed in specialist youth units. Also included are the management of specialist facilities and drug reduction initiatives.

It provides for an estimated throughput of 7,211 new inmates, representing an average prison population of 4,823 inmates. This requires the provision of approximately 5,384 beds and associated facilities at 19 sites to meet security, gender, age and other inmate needs 24 hours a day.

Outcome

The following outcome measures will be used to determine the effectiveness of the Department's activities in this output class to reduce re-offending with the percentage of offenders:

- not re-imprisoned within 12 months of their release from prison
- not re-imprisoned within 24 months of their release from prison
- conviction-free 12 months after the completion of their sentence/order
- conviction-free 24 months after the completion of their sentence/order.

These outcomes relate to sentenced inmates (men and women).

Output 5.1 – Custodial Services – Maximum Security Men

This output provides for the safe, secure and humane containment of adult male inmates classified as maximum security. It incorporates the costs of accommodation, security, sentence management (including assessment), food and medical care.

Custodial Services – Maximum Security Men

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The average number of maximum security sentenced inmates:	130	172
Quality		
The percentage of sentenced inmates with inmate management plans prepared and managed to the standards in the relevant service description, Public Prisons Service Policy and Procedures Manual, and Public Prisons Service Sentence Management Manual:	100%	100%
<ul style="list-style-type: none"> • on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action • assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available • the inmate is placed into the appropriate work/programme • the inmate attends the allocated work/programme • all information is recorded and filed on the inmate's file • case management plans are reviewed as per the plan. 		
The number of breakouts per annum to be:	0	0
The number of non-returns from temporary release per annum:	0	0
The number of all other escapes per annum:	0	0

Output 5.2 – Custodial Services – Medium Security Men

This output provides for the safe, secure and humane confinement of adult male inmates classified as high medium or low medium security. It incorporates the costs of accommodation, security, sentence management (including assessment), food and medical care.

Custodial Services – Medium Security Men

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The average number of medium security sentenced inmates:	2,329	2,425
Quality		
The percentage of sentence inmates with inmate management plans prepared and managed to the standards in the relevant service description, Public Prisons Service Policy and Procedures Manual, and Public Prisons Service Sentence Management Manual to be:		
	100%	100%
<ul style="list-style-type: none"> • on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action • assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available • the inmate is placed into the appropriate work/programme • the inmate attends the allocated work/programme • all information is recorded and filed on the inmate's file • case management plans are reviewed as per the plan. 		
The number of breakouts per annum to be no more than:	3	4
The number of non-returns from temporary release per annum to be no more than:	2	2
The number of all other escapes per annum to be no more than:	12	14

Output 5.3 – Custodial Services – Minimum Security Men

This output provides for the safe, secure and humane confinement of adult male inmates classified as minimum security. It incorporates the costs of accommodation, security, sentence management (including assessment), food and medical care.

Custodial Services – Minimum Security Men

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The average number of minimum security sentenced inmates:	2,000	2,033
Quality		
The percentage of sentence inmates with inmate management plans prepared and managed to the standards in the relevant service description, Public Prisons Service Policy and Procedures Manual, and Public Prisons Service Sentence Management Manual to be:	100%	100%
<ul style="list-style-type: none"> • on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action • assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available • the inmate is placed into the appropriate work/programme • the inmate attends the allocated work/programme • all information is recorded and filed on the inmate's file • case management plans are reviewed as per the plan. 		
The number of breakouts per annum to be no more than:	1	1
The number of non-returns from temporary release per annum to be no more than:	14	16
The number of all other escapes per annum to be no more than:	12	16

Output 5.4 – Custodial Services – Women

This output provides for the safe, secure and humane confinement of all female inmates. It incorporates the costs of accommodation, security, sentence management (including assessment), food and medical care.

Custodial Services – Women

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The average number of maximum security sentenced inmates:	1 ¹⁴	4
The average number of medium security sentenced inmates:	78	102
The average number of minimum security sentenced inmates:	151	139
Quality		
The percentage of sentence inmates with inmate management plans prepared and managed to the standards in the relevant service description, Public Prisons Service Policy and Procedures Manual, and Public Prisons Service Sentence Management Manual to be:	100%	100%
<ul style="list-style-type: none"> on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available the inmate is placed into the appropriate work/programme the inmate attends the allocated work/programme all information is recorded and filed on the inmate's file case management plans are reviewed as per the plan. 		
The number of breakouts per annum to be no more than:	1	1
The number of non-returns from temporary release per annum to be no more than:	1	2
The number of all other escapes per annum to be no more than:	1	2

¹⁴ The Department is reviewing the classification of women inmates, which may eliminate the current maximum classification.

Output 5.5 – Custodial Services – Male Youth

This output provides for the safe and secure confinement of males under 17 years of age and vulnerable 17 to 19 year-olds, either sentenced (except those classified maximum security) or remanded. It incorporates the costs of accommodation, security, sentence management (including assessment), food and medical care¹⁵.

Custodial Services – Male Youth

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The average number of male sentenced and remand inmates held in youth units:	134	129
Quality		
The percentage of youth inmates with inmate management plans prepared and managed to the standards in the relevant service description, Public Prisons Service Policy and Procedures Manual, and Public Prisons Service Sentence Management Manual to be:	100%	100%
<ul style="list-style-type: none"> on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available the inmate is placed into the appropriate work/programme the inmate attends the allocated work/programme all information is recorded and filed on the inmate's file case management plans are reviewed as per the plan. 		
The number of breakouts per annum from youth units to be:	0	0
The number of all other escapes per annum from youth units to be:	0	0

¹⁵ Consistent with the United Nations' Convention on the Rights of the Child, the department will progressively locate all male offenders under the age of 18 (unless such placement is not in an offender's best interests) as well as vulnerable 18- and 19-year-old male inmates in specialist youth units as planned dedicated facilities come available.

Output 5.6 – Custodial Services – Drug Reduction

This output entails the identification of drug users in prisons through the administration of three random testing programmes and other drug screening tests. It includes the costs of checkpoint drug control activities, drug dog services, and other activities undertaken alone or with other agencies.

Custodial Services – Drug Reduction

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of general random programme drug screening tests carried out to be no less than:	2,470-2,700	2,470-2,700
The number of random drug screening tests carried out on inmates returning from temporary release to be no less than:	365-408	365-408
The number of random drug screening tests carried out on identified drug users to be no less than:	1,584-1,750	1,584-1,750
The number of other drug screening tests carried out to be no less than ¹⁶ :	3,991-4,442	3,991-4,442
Quality		
The annual average percentage of general random programme drug screening tests producing a positive result to be no more than:	16%	17%
The annual average percentage of random drug screening tests of inmates returning from temporary release producing a positive result:	to be reported ¹⁷	to be reported
The annual average percentage of random drug screening tests of identified drug users producing a positive result:	to be reported ¹⁷	to be reported

¹⁶ Other drug screening tests are defined as those undertaken on either "reasonable grounds" or on a voluntary basis.

¹⁷ The effectiveness of these two measures showing the average annual percentage of positive tests returned will be reported in both the Department's 2002/2003 and 2003/2004 Annual Reports. These two measures do not lend themselves to setting of performance standards to be achieved.

Costs for Output Class 5: Custodial Services

for the year ending 30 June 2004

Outputs in this class will be provided within the appropriated sum of \$271.609 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Other (GST exclusive) (\$000)
2003/04 SOI	271,609	241,430	241,430	241,430	-
2002/03 Supp Ests	264,774	235,355	235,355	235,355	-
2002/03 SOI	277,063	246,278	246,278	246,278	-

OUTPUT CLASS 6: INMATE EMPLOYMENT

Inmate Employment contributes to reducing re-offending by providing inmates and remandees with the opportunity to gain work experience and improve their work habits and skills. Inmates are also provided the opportunity to undertake training toward gaining recognised qualifications and work experience that improve the chances of obtaining sustainable post-release employment, which reduces the likelihood of re-offending.

Over time, Inmate Employment aims to provide all inmates eligible for work with 1,410 hours of employment per year. This year's target of 5.7 million hours represents a 90 percent achievement of that goal. In addition, it is expected that 40 percent of inmates who undertake employment will gain an externally recognised qualification.

The table below summarises employment and training opportunities offered, by sector.

Quantity (Hours)	Performance Standard	
	2003/04	2002/03
Land-based activities	1,449,250	1,449,250
Manufacturing activities	1,130,820	1,130,820
Internal service self-sufficiency activities	3,000,000	3,000,000
Release to work	84,600	84,600
Vocational training services	1,125	1,125
Community service	80,000	80,000

Quality (External Qualifications)	Performance Standard	
	2003/04	2002/03
Land-based activities	40%	40%
Manufacturing activities	40%	40%
Internal service self-sufficiency activities	40%	40%
Release to work	N/A	N/A
Vocational training services	40%	40%
Community service	40%	40%

Output 6.1 – Inmate Employment – Land-based Activities

This output relates to the provision of employment hours and qualifications to inmates who work in farming, forestry, horticulture and other land-based activities.

Inmate Employment – Land-based Activities

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of hours worked by inmates employed on land-based activities:	1,449,250	1,449,250
Quality		
The percentage of inmates undertaking inmate employment who receive an externally recognised qualification ¹⁸ :	40%	40%

Output 6.2 – Inmate Employment – Manufacturing Activities

This output relates to the provision of employment hours and qualifications to inmates who work in manufacturing, construction and labour-only services.

Inmate Employment – Manufacturing Activities

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of hours worked by inmates employed on manufacturing activities:	1,130,820	1,130,820
Quality		
The percentage of inmates undertaking inmate employment who receive an externally recognised qualification ¹⁹ :	40%	40%

^{18,19} An externally recognised qualification is an NZQA unit standard, or where no unit standard exists, one that is a recognised equivalent standard. A recognised equivalent standard is a document that attests that an inmate has passed either all components of a defined course of study, or a module or unit associated with the partial completion of that course of study.

Output 6.3 – Inmate Employment – Internal Service Self-sufficiency Activities

This output relates to the provision of employment hours and qualifications to inmates who work in internal self-sufficiency activities including:

- kitchens
- laundry and cleaning
- prison asset maintenance.

Inmate Employment – Internal Service Self-sufficiency Activities

	Performance 2003/2004	Standard 2002/2003
Quantity		
The number of hours worked by inmates on internal service self-sufficiency activities:	3,000,000	3,000,000
Quality		
The percentage of inmates undertaking inmate employment who receive an externally recognised qualification ²⁰ :	40%	40%

Output 6.4 – Inmate Employment – Release to Work

This output entails work undertaken by minimum security inmates outside the prison boundaries. These are inmates nearing release who are on release to work.

This output relates to the provision of employment hours completed by inmates participating in the release-to-work programme. This programme allows inmates nearing their release date, and who meet certain eligibility criteria, to be temporarily released during the day to work.

Inmate Employment – Release-to-Work

	Performance 2003/2004	Standard 2002/2003
Quantity		
The number of hours worked by inmates on release-to-work activities:	84,600	84,600 ²¹
Quality		
The percentage of inmates undertaking release-to-work activities who meet the eligibility criteria:	100%	new standard

²⁰ An externally recognised qualification is an NZQA unit standard, or where no unit standard exists, one that is a recognised equivalent standard. A recognised equivalent standard is a document that attests that an inmate has passed either all components of a defined course of study, or a module or unit associated with the partial completion of that course of study.

²¹ In 2002/2003 community services and release-to-work were combined in Output Class 6.4. The combined standard for the number of hours worked by inmates was 164,600. This was made up of 84,600 hours for release-to-work and 80,000 hours for community services.

Output 6.5 – Inmate Employment – Vocational Training Services

This output provides training activities to inmates that relate directly to the acquisition of employment-related skills, and includes courses to assist in getting driver licences and computer skills.

Inmate Employment – Vocational Training Services

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of inmates who commence training towards the achievement of an externally recognised qualification:	1,125	1,125
Quality		
The percentage of inmates undertaking training activities who receive an externally recognised qualification ²³ :	40%	40%

Output 6.6 – Community Services

This output relates to the provision of employment hours by inmates undertaking community services. Inmates nearing their release date and who meet eligibility criteria can work outside the prison during the day in supervised work parties benefiting local communities.

Inmate Employment – Community Services

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of hours worked by inmates on community service:	80,000	80,000 ²⁴
The average number of inmates engaged on community services:	160	new standard
Quality		
The percentage of inmates who have undertaken community service and have received a work certificate or record of achievement from the Department upon their release, to be no less than:	100%	new standard

²³ An externally recognised qualification is an NZQA unit standard, or where no unit standard exists, one that is a recognised equivalent standard. A recognised equivalent standard is a document that attests that an inmate has passed either all components of a defined course of study, or a module or unit associated with the partial completion of that course of study.

²⁴ In 2002/2003 community services and release to work were combined in Output Class 6.4. The combined standard for the number of hours worked by inmates was 164,600. This was made up of 84,600 hours for release to work and 80,000 hours for community services.

Costs for Output Class 6: Inmate Employment

for the year ending 30 June 2004

Outputs in this class will be provided within the appropriated sum of \$38.744 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Other (GST exclusive) (\$000)
2003/04 SOI	38,744	34,439	34,439	10,941	23,498
2002/03 Supp Ests	42,214	37,523	37,523	11,025	26,498
2002/03 SOI	38,760	34,453	34,453	10,995	23,498

OUTPUT CLASS 7: REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

This output class provides:

- rehabilitative programmes to improve an offender's motivation to address the causes of their criminal offending. These programmes are designed to increase an offender's responsiveness to undertake a specific programme that seeks to address an identified criminogenic need;
- rehabilitative programmes to address the causes of criminal offending. There is a suite of nationally defined rehabilitation programmes. Assessment tools determine programme eligibility according to an offender's criminogenic needs, responsiveness and risk of re-offending;
- reintegrative services to prepare for an offender's release into the community, including support for families/whanau. Emphasis is placed on the targeted provision of reintegrative services to reinforce and sustain behavioural changes by building up basic skills (for example, budgeting and relationship management) which support reintegration into the community;
- specialist psychological services, including counselling of offenders, professional training and supervision in the use of assessment tools, to monitor and support programme delivery.

Outcome

The following outcome measures will determine the effectiveness of the Department's initiatives to reduce re-offending. The measures provide information on the percentage of offenders who return to the Department's care and how much of a reduction in re-imprisonment and reconviction has occurred due to the Department's interventions.

The change in the re-imprisonment and reconviction rates for the treatment group receiving an intervention, compared to a matched, untreated group, is measured in two ways. An offender may be:

- reimprisoned for an offence committed within 12 and 24 months following release from prison
- reconvicted for an offence committed within 12 and 24 months of completion of sentence, and given a sentence administered by the Department.

These outcomes are reported for programmes with sufficient volumes to permit meaningful measurement and relate to the following rehabilitative programmes and reintegrative services:

- sex offender treatment (for this, the outcome relates to 12, 24 and 60 months)
- violence prevention
- substance abuse programmes

- EQUIP
- structured intervention programme
- Making our Drivers Safer (MODS)
- M-PRO (generic programme)
- Māori therapeutic programmes (for drugs and alcohol and violence)
- Provision of psychological services.

The utility of the outcome measure is affected by several factors.

- The lead time between an offender receiving an intervention and when that offender could be deemed as not having re-offended is considered.
- A statistically valid sample size can take a long time to achieve when re-offending occurs at a low rate as is the case for child sex offenders.
- The nature of the intervention, if generic, relates more appropriately to the re-imprisonment index. Where a specific intervention occurs, then the focus needs to be on re-imprisonment or reconviction for that specific kind of offence.

These issues particularly relate to:

- sex offender treatment
- violence prevention
- Making our Drivers Safer (MODS).

Output 7.1: Rehabilitative Programmes – Responsivity/Motivational

This output entails the delivery of Straight Thinking, tikanga Māori and faith-based programmes. Attendance at these programmes improves an offender's responsivity or motivation to address identified criminogenic needs. For example:

- Straight Thinking which aims to improve the critical reasoning required for effective social integration
- tikanga Māori programmes, delivered to community-based offenders, remand and sentenced inmates (including youth in specialist male youth units). The programmes are designed to use Māori philosophy, values, knowledge and practices to increase motivation for the offender to address their offending behaviour
- Christian-based programmes delivered in the faith-based unit at Rimutaka prison.

Rehabilitative Programmes – Responsivity/Motivational

	Performance Standard	
	2003/2004	2002/2003
STRAIGHT THINKING		
Quantity		
The number of hours offenders spend attending a Straight Thinking programme		
• Public Prisons Service:	69,300	69,300
• Community Probation Service:	82,880	82,880
The number of offenders who start a Straight Thinking programme		
• Public Prisons Service:	990	990
• Community Probation Service:	1,184	1,184
Quality		
The percentage of offenders who start and complete a Straight Thinking programme to be no less than		
• Public Prisons Service:	80%	80%
• Community Probation Service:	65%	65%

Rehabilitative Programmes – Responsivity/Motivational continued

	Performance Standard	
	2003/2004	2002/2003
TIKANGA MĀORI PROGRAMMES		
Quantity		
The number of offenders who start a tikanga Māori programme		
• Public Prisons Service:	943	943
• Community Probation Service:	523	523
Quality		
The percentage of offenders who start and complete a tikanga Māori programme to be no less than		
• Public Prisons Service:	75%	75%
• Community Probation Service:	65%	65%
FAITH-BASED UNIT		
Quantity		
The average number of sentenced inmates in a faith-based unit:		
	60	new standard
Quality		
The minimum average occupancy rate:		
	95%	new standard

Output 7.2 – Rehabilitative Programmes – Criminogenic

This output delivers programmes to address an offender's criminogenic needs, either in prison or the community. For example:

- EQUIP, a youth offender programme designed to develop cognitive behavioural reasoning for effective social interaction;
- sex offender treatment programmes, for inmates convicted of sex offending against children. The programmes include special treatment units (at Kia Marama and Te Piriti);
- violence prevention programmes, including the delivery of group-based treatment to violent offenders in the male Violence Prevention Special Treatment Unit at Rimutaka Prison and Pacific violence prevention programme;
- substance abuse programmes to highly recidivist offenders with identified alcohol- and drug-related needs. The output includes the delivery of alcohol and drug treatment programmes within special treatment units;
- generic criminogenic programmes, such as the Mixed Programme to Reduce Re-offending (M-PRO), Structured Individual Programmes (SIP);
- Māori therapeutic programmes involving alcohol and drug, and violence prevention (including programmes delivered in Māori focus units and He Tete Kura Mana Tangata);
- Making our Drivers Safer (MODS). A programme delivered within the community to reduce re-offending by addressing high-risk, recidivist traffic offenders.

Rehabilitative Programmes – Criminogenic

	Performance Standard	
	2003/2004	2002/2003
CRIMINOGENIC PROGRAMMES		
Quantity		
The number of hours offenders spend attending a criminogenic programme		
• Public Prisons Service:	119,800	119,800
• Community Probation Service:	71,925	77,125
The number of offenders who start a criminogenic programme		
• Public Prisons Service:	700	700
• Community Probation Service:	783	835
Quality		
The percentage of offenders who start and complete a criminogenic programme		
• Public Prisons Service:	75%	75%
• Community Probation Service:	65%	65%

Rehabilitative Programmes – Criminogenic continued

	Performance 2003/2004	Standard 2002/2003
SEX OFFENDER TREATMENT PROGRAMMES		
Quantity		
The number of hours inmates spend attending a programme at		
• Kia Marama:	12,500	12,500
• Te Piriti:	12,500	12,500
The number of inmates who start a programme at		
• Kia Marama:	40	40
• Te Piriti:	40	40
The number of inmates who start and complete a programme at		
• Kia Marama to be no less than:	38	38
• Te Piriti to be no less than:	38	38
Quality		
The percentage of programmes completed at Kia Marama and Te Piriti where all the components described in the service description were completed:		
	100%	100%
<ul style="list-style-type: none"> • norm building • construction of offence chain incorporating challenging cognitive distortion • sexual arousal reconditioning • victim impact and empathy • social skills, relationship skills and sex education • mood, anger and stress management and problem solving • relapse prevention • release planning. 		
VIOLENCE PREVENTION PROGRAMMES		
Quantity		
The number of hours inmates spend attending a violence prevention programme at Rimutaka Prison:		
	7,700	7,700
The number of inmates who start a violence prevention programme at Rimutaka Prison:		
	30	30
Quality		
The number of violence prevention programmes completed at Rimutaka prison per year:		
	3	3
The percentage of offenders who start and complete a violence prevention programme at Rimutaka prison:		
	70% ²⁵	100%

²⁵ This standard has been revised to take into account the percentage of estimated non-completions.

Rehabilitative Programmes – Criminogenic continued

	Performance Standard	
	2003/2004	2002/2003
EQUIP		
Quantity		
The number of EQUIP programme hours provided to youth:	3,840	new standard
The number of youth who start an EQUIP programme:	134	129
Quality		
The percentage of sentenced youth in youth units who participate in an EQUIP programme:	98%	new standard
MĀORI THERAPEUTIC PROGRAMMES		
Quantity		
The number of hours inmates spend attending Māori therapeutic programmes:	21,600	14,400
The number of inmates who start a Māori therapeutic programme:	300	200
Quality		
The percentage of inmates who start and complete Māori therapeutic programmes to be no less than:	75%	75%

Output 7.3 – Rehabilitative Programmes – Other Rehabilitative Programmes and Activities

This output entails the provision and administration of other criminogenic and special programmes that are designed to address the underlying causes of criminal re-offending.

This comprises:

- community-based sex offender treatment programmes delivered by third parties
- community-based domestic violence and alcohol and drug programmes delivered by third parties
- community-based violence prevention programmes delivered by third parties.

Rehabilitative Programmes – Other Rehabilitative Programmes and Activities

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of hours offenders spend attending other rehabilitative programmes funded by Probation and Offender Services:	80,000-110,000	90,000-115,000
Quality		
The percentage of offenders who start and complete a rehabilitative programme funded by Probation and Offender Services to be no less than:	65%	new standard

Output 7.4 – Education and Training

This output seeks to raise the basic literacy and numeracy levels of inmates – through the provision of basic literacy and numeracy programmes, National Certificate in Employment Skills (NCES) and other general education activities – to ensure they are better equipped to cope in the community following their release from prison.

Education and Training

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of hours inmates spend attending a module under the NCES:	236,560	236,560
Quality		
The percentage of inmates who start and complete a module under the NCES to be no less than:	80%	80%

Output 7.5 – Reintegrative Services

This output entails the provision and administration of reintegrative services. This includes the delivery of programmes and activities to meet offenders' reintegrative needs, such as:

- family functioning/social attitudes, victim empathy and life skills
- the provision of social worker and other support services to support the successful reintegration of offenders into their families/whanau, the community and the workforce
- tattoo removal
- offenders as victims of crime.

Reintegrative Services

	Performance Standard	
	2003/2004	2002/2003
WHANAU LIAISON SERVICE		
Quantity		
The number of offenders and their families/whanau receiving the whanau liaison service will be no less than:	257	206
Quality		
The percentage of offenders and their families/whanau receiving the whanau liaison service for which an action plan is developed to be no less than:	100%	new standard
REINTEGRATIVE SERVICES – as provided by the Public Prisons Service		
Quantity		
The number of hours delivered by the Public Prison Service for reintegrative services for inmates:	38,200	38,200
Quality		
The percentage of reintegrative service provided by the Public Prisons Service in accordance with an inmate's plan to be no less than:	90%	90%
REINTEGRATIVE SERVICES – as provided by the New Zealand Prisoners' Aid and Rehabilitation Society (NZPARS)		
Quantity		
The number of support service hours to be provided will be no more than:	40,098	40,098
Quality		
The percentage of referrals (urgent or otherwise) to NZPARS per month acknowledged within five working days of receipt:	95%	95%

Reintegrative Services continued

	Performance Standard	
	2003/2004	2002/2003
REINTEGRATIVE SUPPORT SERVICES		
Quantity		
The number of offenders and their families/whanau receiving the service will be no more than:	120	120
Quality		
The percentage of offenders and their families/whanau receiving the service for which an action plan is developed to be no less than:	100%	100%

Output 7.6 – Community Residential Centres and Reducing Youth Offending Programmes

This output entails an offender's attendance at community residential centres to address reintegrative and rehabilitative needs, and the piloting of Reducing Youth Offending programmes.

Community Residential Centres and Reducing Youth Offending Programmes

	Performance Standard	
	2003/2004	2002/2003
COMMUNITY RESIDENTIAL CENTRES		
Quantity		
The number of offenders directed to attend a community residential centre:	72-92	40-60 ²⁶
The number of psychologist hours provided to Montgomery House:	740	740
Quality		
The percentage of offenders who successfully undertake their community residential centre order to be no less than:	60%	60%
The percentage of assessments for Montgomery House programmes for which all of the following information elements were assessed:	100%	100%
The percentage of post-programme assessments for Montgomery House programmes completed by a psychologist:	100%	100%
The percentage of clinical monitoring reports for Montgomery House programmes that adhere to the standards:	100%	100%
The percentage of clinical monitoring reports for Montgomery House programmes provided within agreed timeframes:	100%	100%
REDUCING YOUTH OFFENDING PROGRAMMES		
Quantity		
The number of youth who are directed to attend a Reducing Youth Offending programme:	100-130	new standard
Quality		
The percentage of youth who successfully undertake a Reducing Youth Offending programme order to be no less than:	70%	new standard

²⁶ The 2003/2004 figure did not include Montgomery House, which catered for another 32 offenders.

Output 7.7 – Provision of Psychological Services

This output entails the provision of specialist psychological treatment services to offenders serving both custodial and community-based sentences. It includes the provision of reports resulting from the referral, assessment and treatment of offenders serving custodial sentences, and of professional training and supervision relating to the delivery of responsivity/motivational and rehabilitative programmes.

Provision of Psychological Services

	Performance Standard	
	2003/2004	2002/2003
PSYCHOLOGICAL SERVICES		
Quantity		
The number of psychological consultation hours provided to the		
• Public Prisons Service:	9,834	9,834
• Community Probation Service ²⁶ :	12,000	12,000
The number of psychological reports provided to the		
• Public Prisons Service:	840-900	840-900
• Community Probation Service:	1,020-1,060	1,020-1,060
Quality		
The percentage of psychological consultations which meet the following standards to be no less than:		
	95%	95%
<ul style="list-style-type: none"> • a structured offender assessment interview is conducted • confidentiality and consent issues are explained • relevant history is obtained • assessment measures are used (as appropriate) • problems are presented clearly formulated • treatment goals are specified (addressing assessed problems) • appropriate interventions are used (based on current literature) • adequate case notes are recorded for all sessions • records are kept of ongoing measures or observations to monitor interventions • assessment and treatment reports are completed and delivered. 		
The percentage of psychological reports which meet the following standards outlined below to be no less than:		
	95%	95%
<ul style="list-style-type: none"> • concise, logical and grammatically correct • source and reason for referral are clearly stated • all relevant and appropriate information is included • sources of information are well documented and verified • clear statements of recommendations for further intervention • complies with the Psychologists' Code of Ethics. 		

²⁶ Includes supervision and other activities supporting assessment and treatment functions.

Provision of Psychological Services continued

	Performance Standard	
	2003/2004	2002/2003
BICULTURAL THERAPY MODEL		
Quantity		
The number of consultation hours provided by Māori service providers under the Bicultural Therapy Model:	4,000	4,000
Quality		
The percentage of Māori service providers who comply with the following standards when delivering consultation hours under the Bicultural Therapy Model to be:	100%	100%
<ul style="list-style-type: none"> • all referrals follow locally agreed referral processes • provider has received induction from the Psychological Service • provider has signed a contract for services • treatment provided is centred around Māori values and beliefs using the principles of Kaupapa Māori and Nga Tikanga Māori • provider is mandated by the relevant Oversight Committee, comprising representatives of local iwi and the Psychological Service • a report is provided to the Psychological Service at the end of each referral. 		

Output 7.8 – Chaplaincy Services

This output entails the use of chaplaincy and religious activities to assist the regeneration of pro-social values and behaviour.

Chaplaincy Services

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of full time equivalent chaplains in prisons:	26	new standard
Quality		
The percentage of chaplaincy service reports provided to Public Prisons		
Service within the agreed timeframes:	100%	new standard

Costs for Output Class 7: Rehabilitative Programmes and Reintegrative Services

for the year ending 30 June 2004

Outputs in this class will be provided within the appropriated sum of \$49.124 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Department (GST exclusive) (\$000)
2003/04 SOI	49,124	43,666	43,666	42,170	1,496
2002/03 Supp Ests	48,369	42,994	42,994	42,070	924
2002/03 SOI	45,088	40,078	40,078	40,078	-

OUTPUT CLASS 8: SERVICES TO THE NEW ZEALAND PAROLE BOARD

This output class involves the provision of funding for, and administrative, financial and secretariat services to, the New Zealand Parole Board. This will assist the New Zealand Parole Board to meet its independent statutory responsibilities.

Output 8.1 – Services to the New Zealand Parole Board

This output involves the provision of administrative, financial and secretariat services to the New Zealand Parole Board.

Services to the New Zealand Parole Board

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of cases considered by the New Zealand Parole Board to be:	6,500	6,500 ²⁷
Quality		
The percentage of offenders or victims notified of an impending hearing at least 10 working days before a hearing:	90%	90%
The percentage of offenders or victims notified of a Board decision within 10 working days after a hearing:	90%	90%
The percentage of papers for home detention (deferred sentences) hearings provided to the Board at least five working days before a hearing:	90%	90%
The percentage of all other papers for each hearing provided to the Board at least 10 working days before a hearing:	90%	90%
The scheduling of cases to be heard by the Board to be within the timeframe specified in the Parole Act 2002:	100%	100%

²⁷ Revised budget projections as amended through 2002/2003 Supplementary Estimates.

Costs for Output Class 8: Services to the New Zealand Parole Board

for the year ending 30 June 2004

Outputs in this class will be provided within the appropriated sum of \$4.818 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Other (GST exclusive) (\$000)
2003/04 SOI	4,818	4,283	4,283	4,283	-
2002/03 Supp Ests	4,830	4,293	4,293	4,293	-
2002/03 SOI	3,375	3,000	3,000	3,000	-

OUTPUT CLASS 9: POLICY ADVICE AND DEVELOPMENT

This output class involves the provision of advice, development of policies, and Ministerial servicing relating to reducing re-offending, the effective management of corrections services, and the review, evaluation and development of service standards.

Output 9.1 – Policy Advice and Development Services

This output involves the provision of policy advice and development services.

Policy Advice and Development Services

	Performance Standard	
	2003/2004	2002/2003
Quantity		
Advice will be provided according to a work programme agreed with the Minister of Corrections:	100%	100%
Quality		
The Minister of Corrections will expect advice to be delivered according to the quality standards as outlined below:	100%	100%
<ul style="list-style-type: none">• the aims of the paper have been clearly stated and they answer the questions that have been set• the assumptions behind the advice are explicit, and the argument is logical and supported by the facts• the facts in the paper are accurate and all material facts have been included• an adequate range of options has been presented and each has been assessed for benefits, costs and consequences to the Government and the community• there is evidence of adequate consultation with interested parties and possible objections to proposals have been identified• the problems of implementation, technical feasibility, timing and consistency with other policies have been considered• the format meets Cabinet Office requirements, the material is effectively and concisely summarised, has short sentences in plain English and is free of spelling or grammatical errors.		
Timeliness		
Policy advice purchased will be delivered within the specific reporting deadlines agreed with the Minister of Corrections:	100%	100%

Output 9.2 – Ministerial Servicing

This output involves the purchase of analysis, research and drafting of responses to Ministerial correspondence and to Parliamentary questions received by the Minister of Corrections.

Ministerial Servicing

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of responses to be prepared to Ministerial correspondence is estimated to be:	600	600
The number of responses to Parliamentary questions is estimated to be:	500	500
Quality		
The percentage of replies returned for redrafting not to exceed:	10%	10%
All responses signed out by either a general manager or, in his or her absence, an appropriate manager:	100%	100%
Timeliness		
The percentage of responses to Ministerial correspondence completed within the timeframes agreed with the Minister's office to be no less than:	90%	90%
The percentage of responses to Parliamentary questions completed within the timeframes set by the Minister's office to be:	100%	100%

Output 9.3 – Provision of Psychological and other Research

This output involves the provision of psychological research and other approved research projects related to corrections services.

Provision of Psychological and other Research

	Performance Standard	
	2003/2004	2002/2003
Quality		
The percentage of research and evaluation delivered to agreed project milestones:	100%	100%
The percentage of psychological and other research that will be provided to the following criteria contained in the Psychological Service Manual:	100%	100%
<ul style="list-style-type: none"> • the hypothesis/aim of the research is clearly stated; capable of being tested; uses minimal variables; is resourced appropriately • data collection is to meet appropriate standards of research design, and appropriate analysis tools are to be used • the results are accurately and clearly described • there is concise and thorough explanation of the implications of the results for the issues investigated • the research should be peer reviewed both internally and externally • the report is written in a format appropriate to the audience • the aims of the paper are accurate and all material facts have been included • the material is free of spelling or grammatical errors and an executive summary is provided if the report exceeds five pages • when possible the material is published within internationally recognised journals. 		

Costs for Output Class 9: Policy Advice and Development

for the year ending 30 June 2004

Outputs in this class will be provided within the appropriated sum of \$4.655 million (inclusive of GST).

Year	Cost		Total	Revenue	Revenue
	(GST inclusive) (\$000)	(GST exclusive) (\$000)	Revenue (GST exclusive) (\$000)	Revenue (GST exclusive) (\$000)	Revenue (GST exclusive) (\$000)
2003/04 SOI	4,655	4,138	4,138	4,138	-
2002/03 Supp Ests	4,673	4,154	4,154	4,154	-
2002/03 SOI	4,186	3,721	3,721	3,721	-

OUTPUT CLASS 10: SERVICE PURCHASE AND MONITORING

This output class involves the development, management and monitoring of agreements for the purchase of services entered into with both internal and external providers. Also included in this output class are the provision of custodial assurance, inspectorate services and national system services.

Output 10.1 – Purchase and Monitoring of Service Delivery

This output involves the development, management and monitoring of:

- Internal Purchase Agreements with the four internal providers of corrections services (Public Prisons Service, Community Probation Service, Psychological Service and Corrections Inmate Employment)
- services purchased from external providers, in particular with Australasian Correctional Management Limited and New Zealand Prisoners' Aid and Rehabilitation Society
- interagency agreements, in particular the agreements with Child, Youth and Family and the Department for Courts, and memoranda of understanding with New Zealand Police, Ministry of Social Development, ACC, Ministry of Health, Inland Revenue Department, Ministry of Housing, New Zealand Parole Board, NZ Council of Victim Support Groups, New Zealand Housing Corporation and Career Services.

Service delivery is monitored in terms of quantity and quality, and remedial action is taken if service delivery is unsatisfactory.

Purchase and Monitoring of Service Delivery

	Performance Standard	
	2003/2004	2002/2003
INTERAGENCY AGREEMENTS		
Quantity		
The number of interagency agreements managed by Corporate Management:	12	11
Quality		
The percentage of interagency agreements managed in accordance with the review and reporting provisions to be:	100%	100%
Timeliness		
The percentage of interagency agreements that are renegotiated and/or reviewed by the date specified to be:	100%	100%

Purchase and Monitoring of Service Delivery continued

	Performance Standard	
	2003/2004	2002/2003
INTERNAL PURCHASE AGREEMENTS AND EXTERNAL CONTRACTORS		
Quantity		
The number of Internal Purchase Agreements with internal providers:	4	4
The number of contracts for services with external providers negotiated and managed by Corporate Management:	3	2
Quality		
The percentage of Internal Purchase Agreements and contracts for services with external providers that meet the following standards to be:	100%	100%
<ul style="list-style-type: none"> • services are clearly described • performance measures and standards are specified • price and payment regime (including incentives as appropriate) • format and dates of reporting requirements are specified. 		
The percentage of Internal Purchase Agreements and contracts for services with external providers that are regularly reviewed and reported on in terms of the following criteria to be:	100%	100%
<ul style="list-style-type: none"> • the procedures are being followed • service delivery and performance measures are as specified • the quality of service delivery and performance are as specified • the manner, timing and form of reporting is as laid down. 		

Purchase and Monitoring of Service Delivery continued

	Performance Standard	
	2003/2004	2002/2003
COMMUNITY FUNDING CONTRACTS		
Quantity		
The number of community funding contracts to be negotiated with external providers:	100-120	138
Quality		
The percentage of community funding contracts with a value of \$20,000 (or over) that have performance measures and standards to the following criteria to be:	100%	100%
<ul style="list-style-type: none"> • the correct parties to the contract are specifically identified and the parties have legal power to contract and are a legal entity • the term of the contract has been identified • the price is identified in the schedule of the contract • the payment regime is specified • the format and dates of reporting requirements are stated • the mechanism for resolving disputes is stated • the programme is clearly described (including programme aims, content and delivery process) • the contract is legal. 		
Timeliness		
The percentage of community funding contracts with values of \$20,000 (or over) agreed and in place by the agreed date to be no less than:	95%	95%

Purchase and Monitoring of Service Delivery continued

	Performance 2003/2004	Standard 2002/2003
CONTRACTS WITH COMMUNITY RESIDENTIAL CENTRES		
Quantity		
The number of contracts between the Probation and Offender Services and community residential centres:	3	3
Quality		
The percentage of contracts for services with community residential centres and that meet the following standards:	100%	100%
<ul style="list-style-type: none"> • services are clearly described • performance measures and standards are specified • price and payment regime (including incentives as appropriate) • format and dates of reporting requirements are specified. 		
The percentage of contracts for services with community residential centres that are regularly reviewed and reported on in terms of the following criteria to be:	100%	100%
<ul style="list-style-type: none"> • the procedures are being followed • service delivery and performance measures are as specified • the quality of service delivery and performance are as specified • the manner, timing and form of reporting is as laid down. 		

Output 10.2 – Provision of Inspectorate Services

This output involves the provision of an inspection service that monitors systems and standards in relation to sentence management, investigates incidents, investigates complaints received from offenders and ensures that the complaints system within prisons is working as intended. The inspectorate also provides reports to the Assurance Board and is independent of the service groups that it inspects.

Provision of Inspectorate Services

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of inspections in the inspectorate work programme as approved by the Assurance Board		
• Routine visits:	80-120	80-120
• Special investigations:	10-30	10-30
Quality		
The percentage of inspections that are carried out to the following criteria to be:		
• to a quality which satisfies the Assurance Board	100%	100%
• according to the guidelines and standards of the New Zealand Institute of Internal Auditors.		
Timeliness		
All reports on routine inspection visits will be finished within one month of visit. All special reports will be finished within the time period agreed in the terms of reference for the investigation:		
	100%	100%

Output 10.3 – Provision of National Systems Services

This output involves:

- the development and maintenance of service specifications and national systems
- the administration of the Victim Notification Register
- the provision of offender records services
- the administration of statutory appointments and delegations affecting offender management.

Provision of National Systems Services

	Performance Standard	
	2003/2004	2002/2003
Quantity		
The number of information transactions with external agencies:	8,000-10,000	8,000-10,000
Quality		
The percentage accuracy of the statutory appointment and delegations registers affecting the operational management of inmates:	100%	100%
Timeliness		
The percentage of national systems transactions completed within seven working days of application being received:	100%	100%
The percentage of applications for victims' registration processed within 10 working days of being received:	100%	100%
The percentage of personal records established for inmates imprisoned for six months or more within 10 working days of reception:	100%	100%

Costs for Output Class 10: Service Purchase and Monitoring

for the year ending 30 June 2004

Outputs in this class will be provided within the appropriated sum of \$3.960 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Other (GST exclusive) (\$000)
2003/04 SOI	3,960	3,520	3,520	3,520	-
2002/03 Supp Ests	3,977	3,535	3,535	3,535	-
2002/03 SOI	3,616	3,214	3,214	3,214	-

PART
3

KEY DIMENSIONS OF THE DEPARTMENT

PART 3 – KEY DIMENSIONS OF THE DEPARTMENT

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DEPARTMENTAL STRUCTURE

The Department of Corrections was set up on 1 October 1995 following Government decisions on the recommendations of the Review of the Department of Justice in 1994.

The core business of the Department of Corrections is the management of custodial and non-custodial sentences and orders imposed by the courts. This includes the administration of sentences of imprisonment, home detention and those sentences/orders undertaken by offenders in the community such as supervision, community work and parole. Corrections also provides information to the judiciary to inform decision-making, and provides administrative, financial and secretariat services to the New Zealand Parole Board.

The Department operates 17 Public Prison institutions and the Auckland Central Remand Prison (which is managed by Australasian Correctional Management), 12 Community Probation Service areas (with staff at 144 locations), eight Psychological Service offices and head office.

The Department also operates special treatment units which include:

- two sex offender treatment units
- three drug and alcohol treatment units
- one violent offender treatment unit.

The following units are also operated by the Department within prisons:

- five Māori focus units
- five self-care unit blocks
- four youth units.

To coordinate inmate employment initiatives the Department has a dedicated Corrections Inmate Employment function.

The Department comprises six services and groups.

Services

The Public Prisons Service is responsible for the safe, secure, and humane containment of sentenced and remand inmates. Sentenced inmates are those incarcerated following conviction. Remand inmates are those who have been charged with an offence and are being held in custody pending plea, trial, or sentencing. The service is also responsible for managing the sentence needs of each offender including rehabilitation and reintegration.

Probation and Offender Services is a new service incorporating the Community Probation Service, the Psychological Service and a new entity, the Service Delivery Organisation.

- **Community Probation Service** (CPS) provides information and reports to judges (to assist them when sentencing offenders) and provides

information to prison management and the New Zealand Parole Board. The service manages community-based sentences and orders including supervision, community work, parole, home detention, and release from prison on conditions. CPS also delivers rehabilitative programmes to offenders, as well as contracting with community providers for rehabilitative and reintegrative community-based programmes for offenders.

- *Psychological Service* provides specialist clinical treatment and assessment advice for offenders, and training and education for departmental staff and community groups. The service also undertakes a number of approved research projects and is responsible for the integrity of assessments and programmes delivered within the Department.

The Psychological Service has Service Level Agreements in place for the provision of clinical services to the Community Probation Service and the Public Prisons Service, and also provides reports to courts and the New Zealand Parole Board.

- *Service Delivery Organisation*. The Department is in the process of establishing a Service Delivery Organisation; this will be responsible for the scheduling and delivery of motivational and criminogenic programmes across the Department.

CORRECTIONS FACILITIES LOCATIONS

Public Prisons Service

Auckland Region

- A Auckland Prison
- A Mt Eden Prison
- A Mt Eden Women's Prison

Waikato/Central Region

- B Ohura Prison
- C Tongariro/Rangipo Prison
- D Waikeria Prison

Midland Region

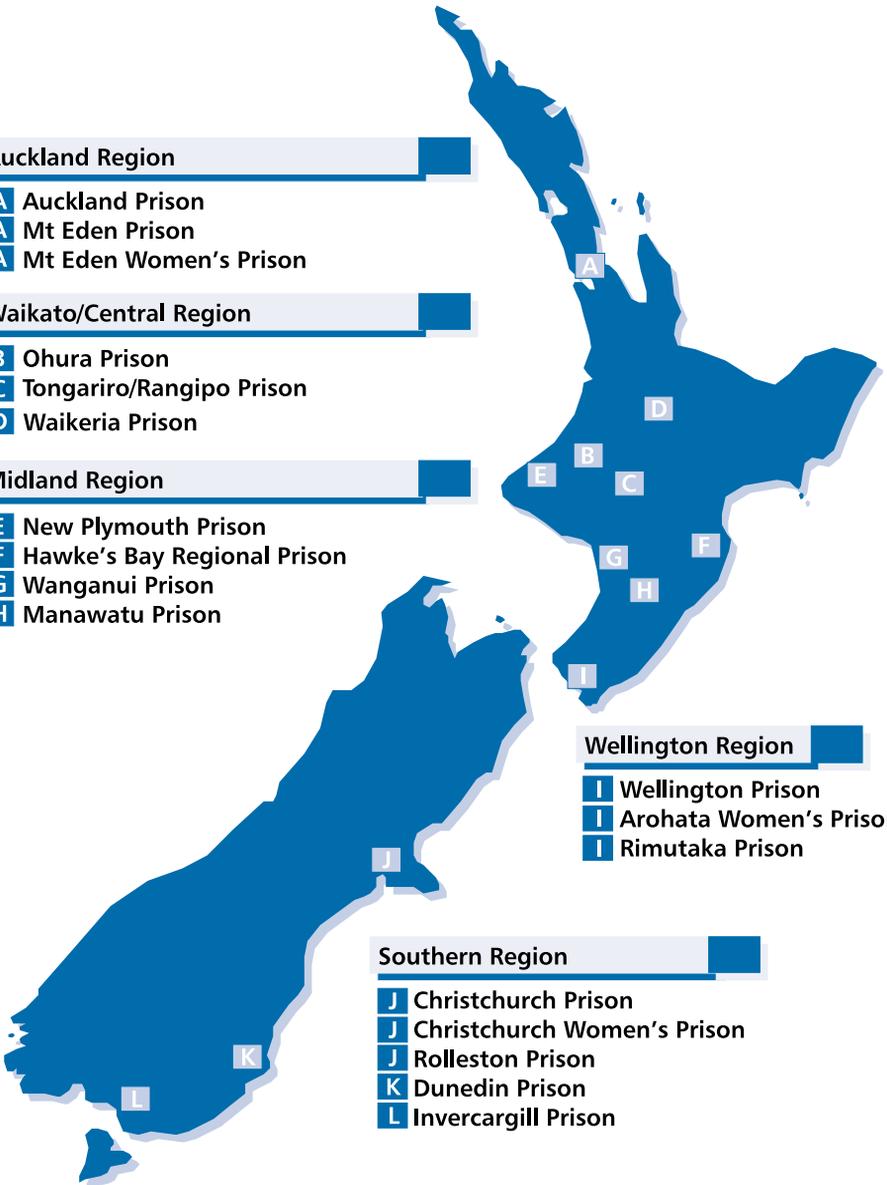
- E New Plymouth Prison
- F Hawke's Bay Regional Prison
- G Wanganui Prison
- H Manawatu Prison

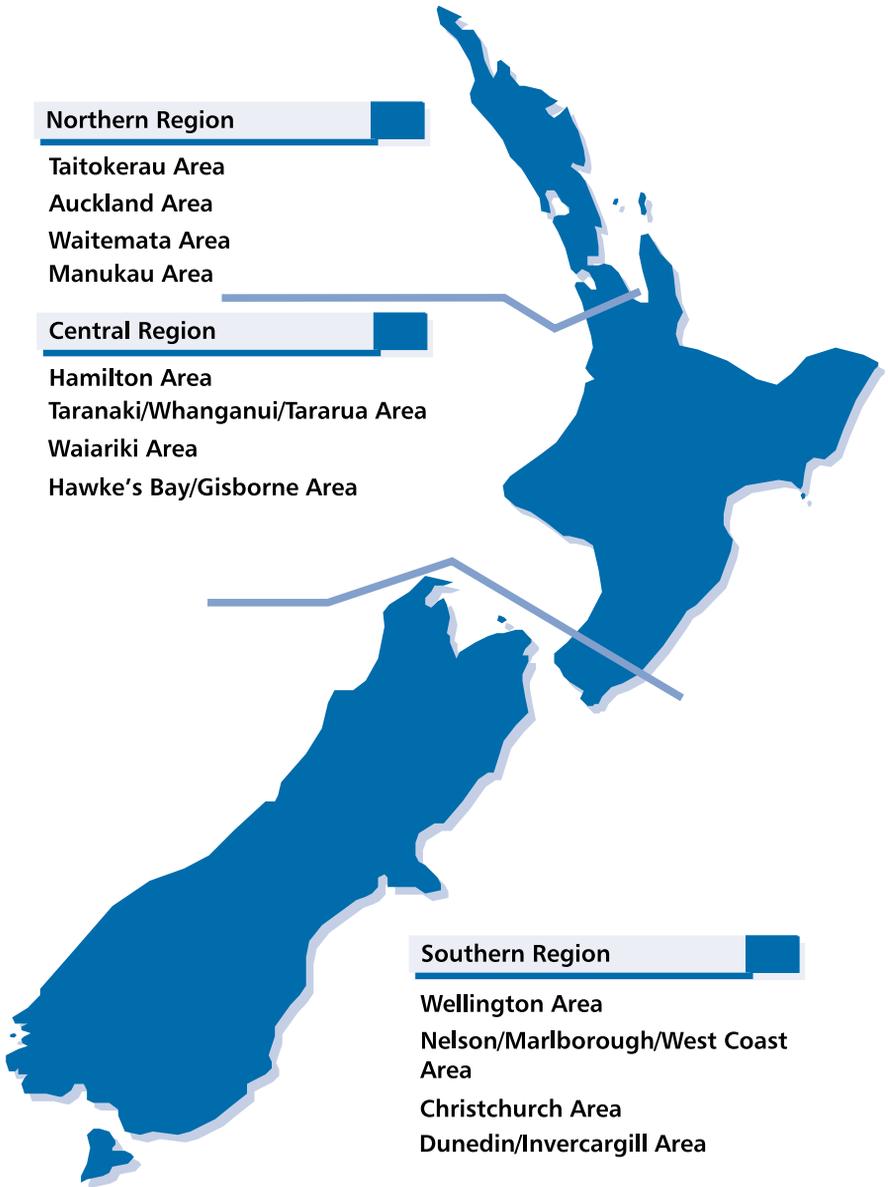
Wellington Region

- I Wellington Prison
- I Arohata Women's Prison
- I Rimutaka Prison

Southern Region

- J Christchurch Prison
- J Christchurch Women's Prison
- J Rolleston Prison
- K Dunedin Prison
- L Invercargill Prison





Northern Region

- Auckland Office
- Te Piriti Special Treatment Unit (Auckland Prison)
- Hamilton Office
- Palmerston North Office
- Rotorua Office
- Hawke's Bay Office

Southern Region

- Wellington Office
- Violence Prevention Unit (Rimutaka Prison)
- Christchurch Office
- Kia Marama Special Treatment Unit (Rolleston Prison)
- Dunedin Office

Groups

Policy Development provides policy advice, strategic and trend analysis, develops effective correctional policy, contributes to legislative reviews and coordinates policy with other government agencies. The group incorporates the **Strategic Analysis Unit** which provides analysis of forecasts and trends, manages the Department's research and evaluation work programme and calculates the Department's externally reported outcome measures; the **Cultural Perspectives Unit** which provides strategic and operational advice leading to improved outcomes for Māori and Pacific peoples; the **Treaty Relationships Unit** which assists managers throughout the Department to build and maintain strong and effective relationships with Māori; the **Strategic and Legislative Policy Unit** which provides advice and input on any legislative development impacting on the Department; and the **Operational Policy Unit** which is responsible for ongoing development of the Department's key operational business processes.

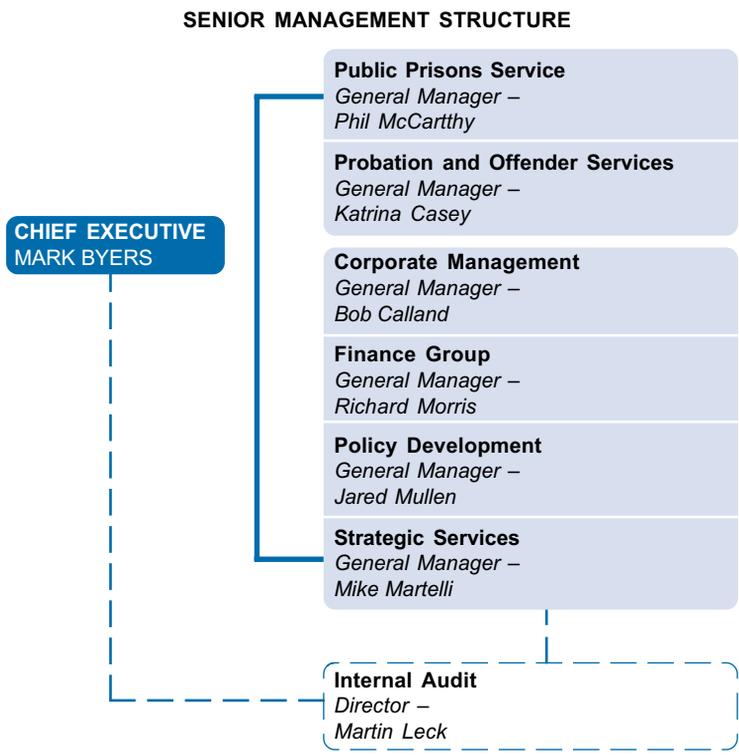
Corporate Management provides a range of services and advice to the Department. The group incorporates **Information Technology** which is responsible for the development and ongoing maintenance of the Information Technology strategy and business critical applications; **Purchase and Monitoring** which arranges the purchase and monitoring of corrections services from both internal and external providers, and works internationally with other corrections services to establish benchmarking standards used to assess performance and improve quality standards; the **Planning Unit** which develops the Department's external accountability documentation and provides support services within head office; and **National Systems and Services** who provides national systems, service specifications and information and records services. Corporate Management also provides administrative support and training services for the **New Zealand Parole Board**.

Strategic Services provides specialist advice and services to help run the Department. The group incorporates **Strategic Human Resources** which is responsible for the development of the Department-wide human resource strategy, policy and procedures; the **Communications Unit** which is responsible for communications strategy, project support, publications and media management; the **Internal Audit** group which provides assurances to the Chief Executive on key statutory accountabilities and the operation of the Department's Risk Management Framework; and the **Prison Inspectorate** which provides assurance to the Chief Executive on the fair, safe, secure and humane treatment of offenders as well as the maintenance of the integrity of sentences imposed by the courts.

The Finance Group provides a range of financial and property advice and support services to the Department. The group incorporates **Corrections Inmate Employment**, which manages inmate employment in prisons throughout New Zealand. Inmates work and receive training under the

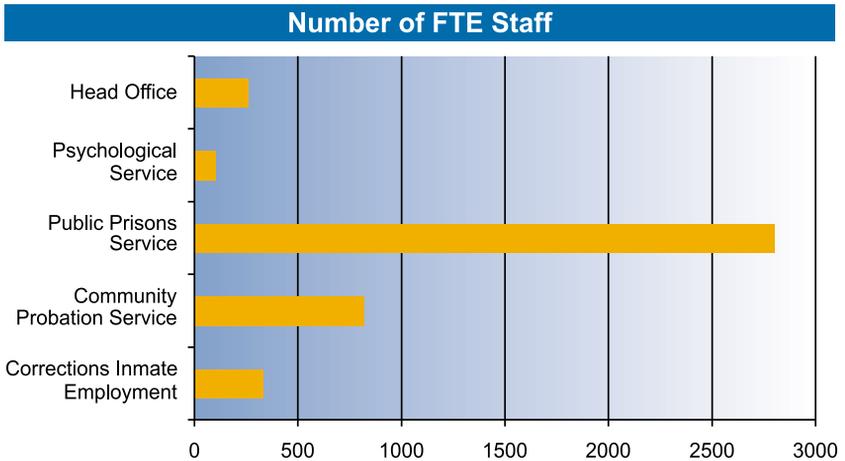
supervision of corrections officers, in areas such as joinery, catering, farming and forestry. The Finance Group also includes the project team charged with the design and construction of four new prisons. Once new prison sites are available for use, the [Regional Prisons Development Project](#) team works towards the design, commissioning and construction of the new prisons. The [Assets and Property](#) team acts as “landlord” to land and buildings worth over \$600 million. The team also establishes the suitability of available sites on which to build new prisons. [Corporate Finance](#) provides the Department with corporate financial services including accounting and payroll; it also manages the budget process and the Department’s interface with Treasury.

The structure of the Department’s senior management is shown in the diagram below.



HUMAN RESOURCE STATISTICS

The Department of Corrections employs 4,314 full time equivalent (FTE) staff (as at 31 December 2002). The distribution of staff throughout the services and head office groups is shown below.



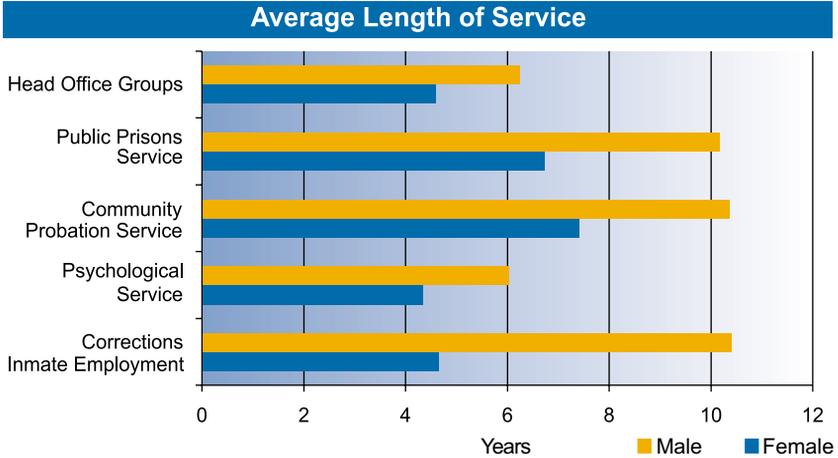
Staff directly employed in the administration of community-based and custodial sentences, including the provision of rehabilitation and reintegrative services, comprise 74.13 percent of total employees. Staff include corrections officers, Probation Officers, psychologists, instructors and managers. The Department also employs 339 work party supervisors (as at 31 December 2002), who are responsible for supervising offenders participating in work parties as part of completing a sentence of community work.

Staff-related Costs

In 2003/2004 the Department's Annual Operating Budget is \$464.854 million. Of this amount 48.59 percent is budgeted for staff-related costs.

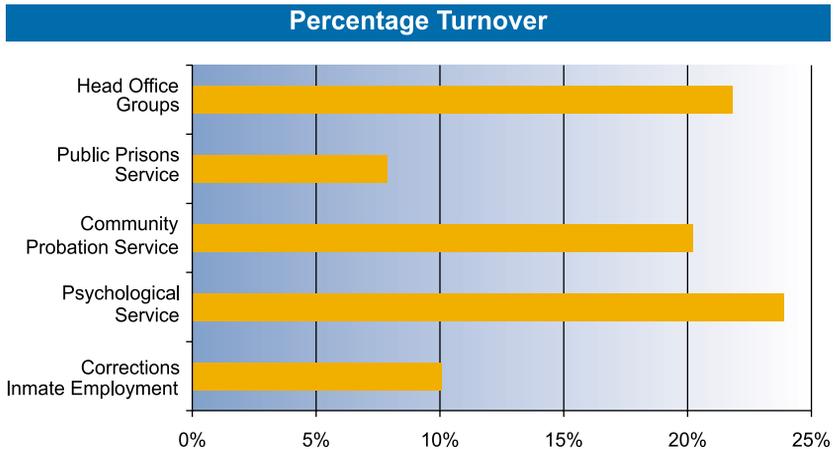
Average Length of Service

The illustrations below show the breakdown of the average length of service of staff by service or group, and by gender.



Staff Turnover

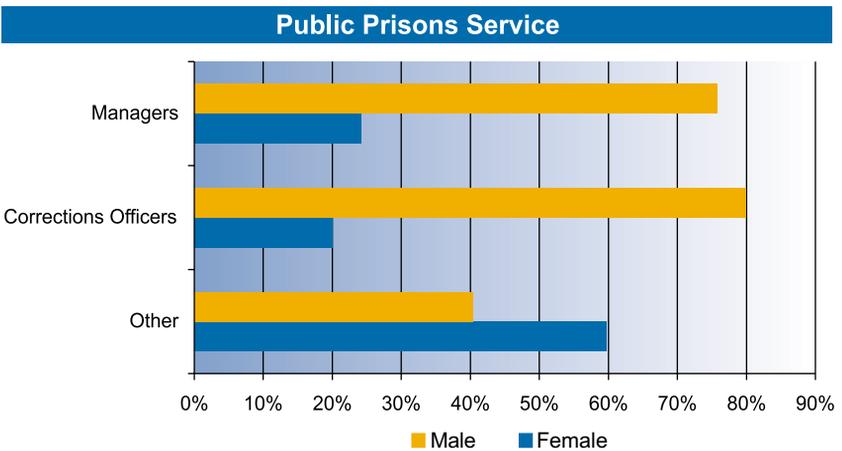
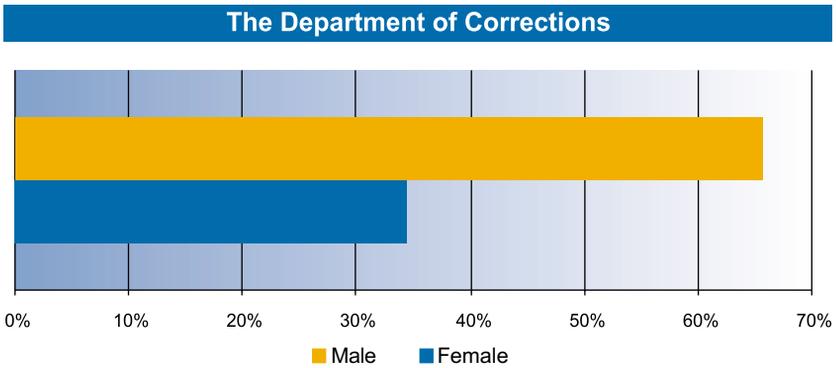
The following graph shows the percentage turnover for each service and the head office groups.



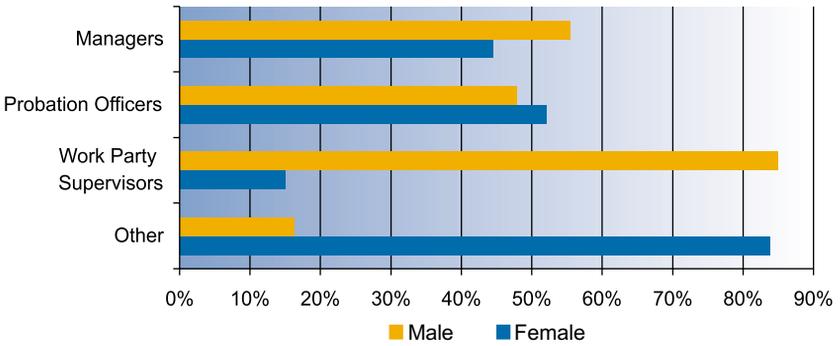
Total Employees by Gender and Ethnicity

The Department is committed to equal opportunity in all its employment policies and procedures. The Department's policies and systems enable employees to reach their full potential within the organisation regardless of gender and ethnicity.

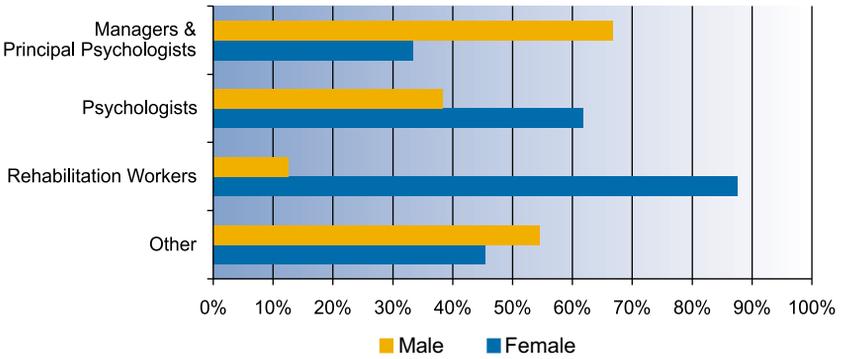
Of the 4,314 FTE staff, 66% are male and 34% female. The distribution of staff by gender across the Department's groups and services is shown in the following graphs.



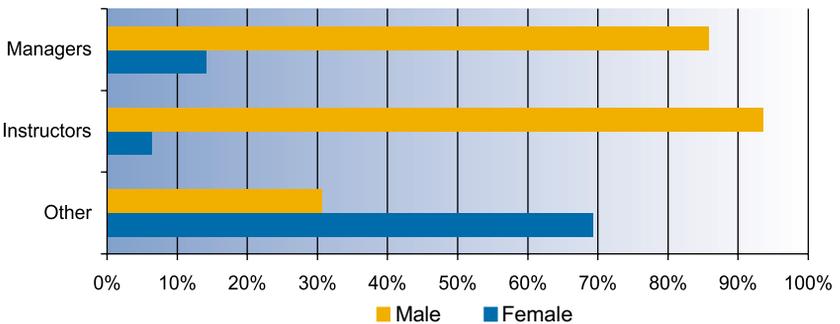
Community Probation Service



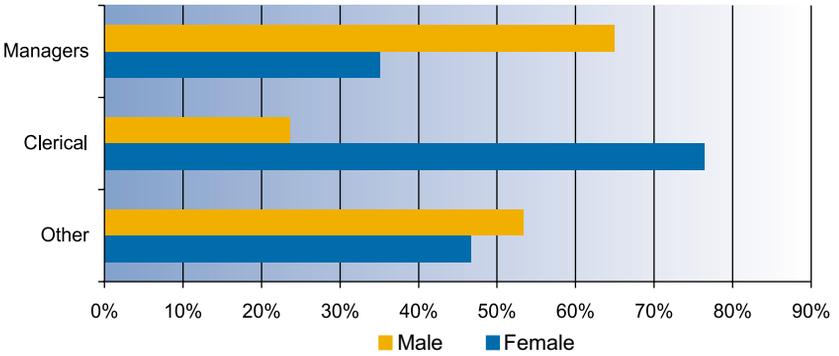
Psychological Service



Corrections Inmate Employment

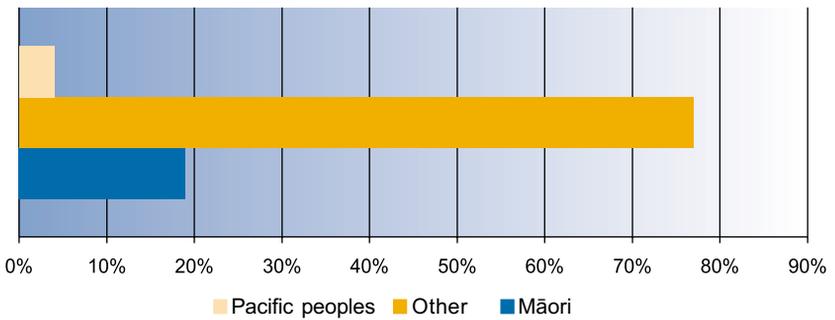


Head Office Groups

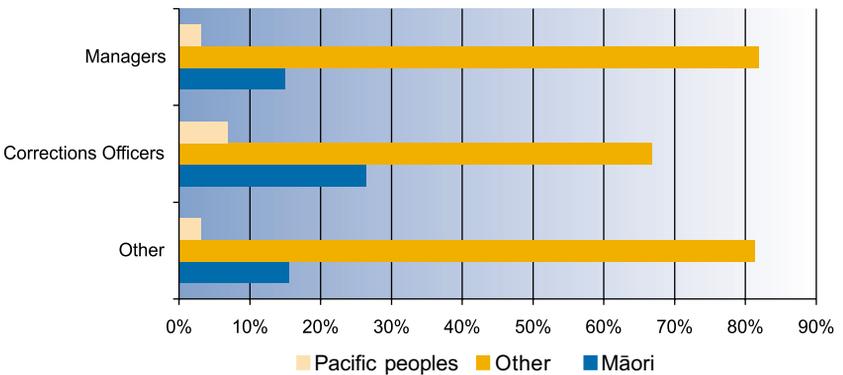


Percentage distribution of staff by ethnicity is shown in the following graphs.

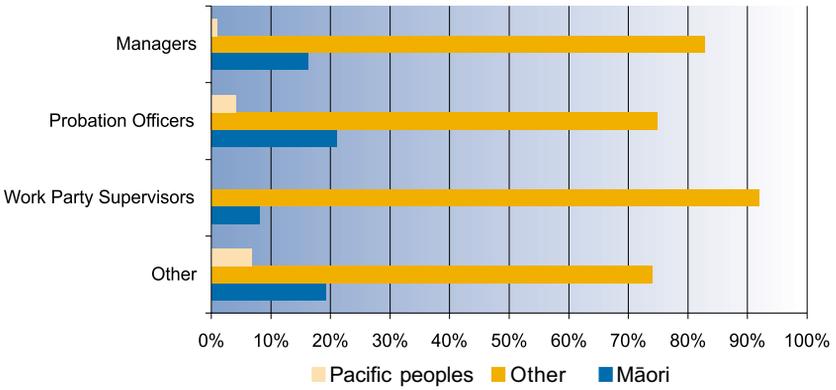
Department of Corrections



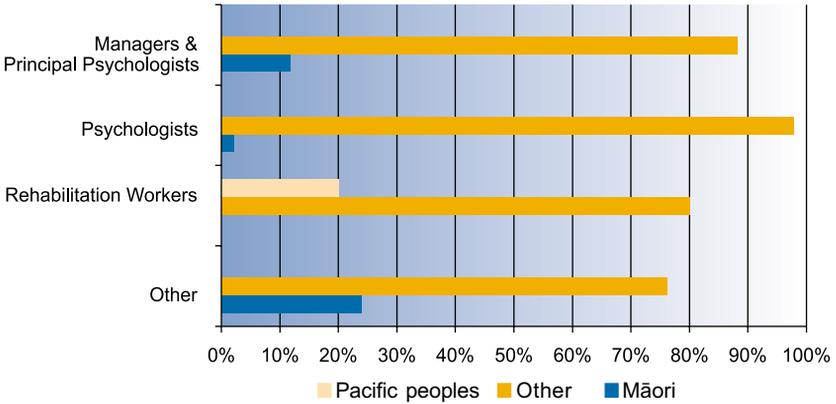
Public Prisons Service



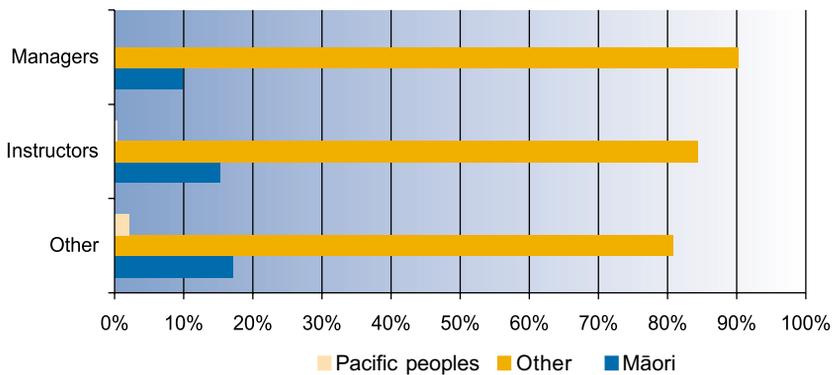
Community Probation Service



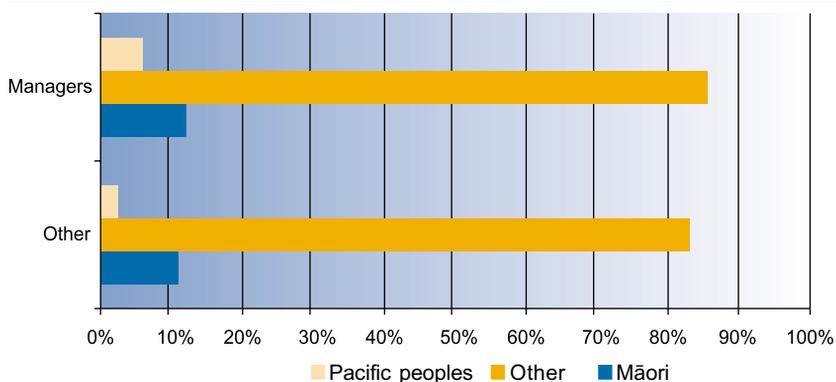
Psychological Service



Corrections Inmate Employment



Head Office Groups



SUPPORT SERVICES – INFORMATION TECHNOLOGY (IT)

The Environment

The Department's previous IT strategies for the period 1996-2003 focused on building a solid IT infrastructure with good operational and basic managerial systems. The successful implementation of these strategies saw a large growth in the IT environment and an increased business dependence on the new systems. The Department is now moving from a period of rapid IT development to one of consolidation, continuous improvement and incremental cost-effective change.

The purpose of the 2003-2008 Information Technology Strategy is to build on what has been done to date, and to support the four main themes of the Department's Strategic Business Plan:

- Ensuring Effective Offender Management
- Improving Responsiveness to Māori
- Contributing to Reducing Re-offending
- Enhancing Capability and Capacity

This will be achieved by ensuring that integrated information systems are developed, delivered and maintained, to meet the needs of departmental and external users.

IOMS

The cornerstone of the Department's IT strategy was the development of the Integrated Offender Management System (IOMS).

IOMS is a world class, nationwide, fully integrated system for the management of offenders. It ensures that offender information and photo image capture needs to be entered only once into the system, and is then available for use regardless of sentence type, location or time.

Each of the business services uses the system for the management of the offender's they are responsible for. In a number of cases all services will be actioning aspects of an offender's sentence either jointly or consecutively.

Since implementation in 1999 the system has had major redevelopment to implement changed business processes supporting an integrated approach to offender management, and changes to support the Sentence and Parole Reform Bills.

Desktop Architecture

Since mid 2001 Corrections has run a WTS/Citrix thin client architecture across its environment. This now supports over 3,700 desktops in over 220 sites. The Citrix implementation was the largest in New Zealand at the time and has proved to be very successful, both in performance gains for users and cost containment.

Data and Voice Networks

The Department has a substantial data and voice network based on Telecom New Zealand Limited's nation-wide infrastructure.

All sites are connected to either the Auckland or Wellington data centres with high-speed links between the centres and disaster recovery capability.

The voice network consists of PABXs in each major site with desk-to-desk dialling across the country.

Outsourcing Arrangements

The Department outsources its platform management and development services. The following are the current contracted services:

- Platform facilities management/
IOMS Development: gen-i Limited
- Platform help desk: Sytec Resources Limited
- Telecommunications: Telecom NZ Ltd

Justice Sector Interface

The Department has electronic interfaces in place between its IOMS system, the Law Enforcement System (LES) and the new Department for Courts' COLLECT system for the exchange of offender information.

STATUTORY AND MANAGEMENT BOARDS

Assurance Board

The Assurance Board assists the Chief Executive to ensure that the Department's risk management framework is operating effectively. In particular that:

- internal control and quality assurance environments are robust and enhanced where necessary
- operational, legal, financial, information technology, human resource management and security systems' risks are identified and managed
- management of the offender environment is maintained with issues appropriately addressed where they arise.

The Board, which meets bi-monthly, maintains professional oversight over the operation of the Department's internal audit and inspectorate functions. Formal departmental reporting on risk management is provided to the Assurance Board, which also reviews progress in key risk areas through reports from internal audit, the inspectorate and from departmental management.

Chief Executive's Māori Advisory Group

The Chief Executive's Māori Advisory Group provides advice and feedback to the Chief Executive on Māori issues. The group ensures that the Chief Executive is given advice on the strategic, policy and operational issues that affect Māori. Issues concerning the Department and affecting the Māori community are raised with the Chief Executive. The group also provides feedback from the Māori community in relation to Department activities.

The group is chaired by the Chief Executive and includes six external members: Hori Martin, Haami Piripi, Amster Reedy, June Robinson, Althea Vercoe and Tui Warmenhoven.

The Māori Advisory Group supports the development of initiatives that meet the Department's aim to be more responsive to Māori. Its work contributes to Theme 2: Improving Responsiveness to Māori.

Inmate Employment Advisory Board

The Inmate Employment Advisory Committee (IEAC) advises the Chief Executive on the implementation of Inmate Employment policy; the external and internal operational targets and financial performance; and the identification and management of risk arising from the Department's inmate employment activities.

The Board is chaired by David Wolfenden, and includes Ken Douglas, Dave Elliott, Michael Gilchrist, John Hamilton, Phil McCarthy, Richard Morris and John Roper.

New Zealand Parole Board

The New Zealand Parole Board is an independent statutory body established under section 108 of the Parole Act 2002 to perform various functions, mostly in relation to the release from detention of offenders serving sentences of imprisonment, and to consider offenders for home detention. The Department of Corrections provides administrative and training support.

VICTIM NOTIFICATION SYSTEM

The Victim Notification System was set up in 1987 as a result of the Victims of Offences Act 1987. The objective of the system is to ensure that victims of certain offences receive notice or advice about prison inmates or offenders on home detention or parole. Under the Victims' Rights Act 2002, this has been expanded to include offenders held in psychiatric hospitals.

The eligibility criteria for a victim of an offence to receive notice or advice is set out in section 29 of the Victims' Rights Act 2002. The right to receive this information applies only if the offence is:

- one of sexual violation or other serious assault; or
- one that resulted in the serious injury to a person, in the death of a person, or in a person being incapable; or
- one of another kind that has led to the victim having ongoing fears on reasonable grounds for his or her physical safety or security, or, the physical safety or security of members of their immediate family.

The Police receive and verify that applications fulfil the above criteria.

The Department of Corrections records victim and offender details on a database called the Victim Notification Register (VNR) and sends a confirmation letter to the victim including a fact sheet describing the victim notification processes and (if applicable) the New Zealand Parole Board pamphlet on information for victims.

The Act requires the Department to give a victim who is registered on the VNR (or their representative) reasonable prior notice of various specific movements of an offender. More information on the Victim Notification System can be found on the Department's website.

INTERAGENCY AGREEMENTS

Corrections has in place a number of agreements with other government departments and agencies which aim to assist the Department to achieve its goals of Protect the Public and Reduce Re-offending. Responsibilities to each other are clearly defined by entering into a mutual agreement. The purpose of the agreement is to create an environment of cooperation to facilitate a sharing of information to provide free-flowing access to the services each department and agency can provide.

The Department currently has in place interagency agreements with the following agencies:

- The Department for Courts
- The New Zealand Police
- Child, Youth and Family
- Ministry of Health
- Inland Revenue
- Accident Compensation Corporation
- The New Zealand Parole Board
- The Ministry of Housing
- Housing New Zealand Corporation
- Career Services
- Ministry of Social Development.

INTERSECTORAL COMMITTEES

The Department is represented on a large number of local, regional and national intersectoral committees which have been established to effect one of the Government's key goals: Reduce Inequalities in Health, Education, Employment and Housing. This goal was introduced to "reduce the inequalities that currently divide our society and offer a good future for all by strengthening the capacity of Māori and Pacific peoples' communities." The purpose of the intersectoral committees is to achieve this goal through cooperation and participation in the wider community.

Committees the Department is represented on around the country include: Strengthening Families, Safer Communities Councils, Victim Support, Violence Prevention Network, Child Welfare Liaison, Restorative Justice Committee, Te Puni Kōkiri Inter-sectoral Committee, Regional Forensic Advisory Committee, Regional Inter-sectoral Fora, and the Pacific Island Capacity Building Project.

TERMS AND DEFINITIONS

Benchmarking	Using a standard point of reference to compare Departmental efficiency, effectiveness and quality with other jurisdictions that have similar governance and correctional practices.
Breakout escape	Escape from a secured prison area that breaches a physical barrier. This definition has been further refined to include: An escape where an inmate has breached security measures provided the inmate has physically left the area contained by the outermost perimeter fence, or if there is no such fence, prison buildings, police cell, vehicle or court complex or other place of custodial control, or from an officer escort any where.
Community-based sentence	A sentence of supervision, community work and orders such as home detention, parole and post-release conditions.
Community residential centre	An approved residential centre that operates programmes for offenders designed to identify and address the cause or causes of, or factors contributing to, their offending.
Community work	A community-based sentence where an offender must work within a community group for a number of unpaid hours. This is a form of reparation to the community.
Criminogenic needs	Features of an offender's personality, lifestyle and social circumstances that have been linked with re-offence risk.
Criminogenic programmes	Programmes that address offenders' criminogenic needs. By addressing these, offenders are less likely to re-offend.
Custodial sentence	A sentence of imprisonment.

EQUIP	A treatment programme provided in specialist youth units for young people with anti-social behaviour problems. The programme aims to achieve positive life outcomes for anti-social youth sentenced to prison.
Final release date	The date on which an offender serving a determinate sentence must be released. Subject to any liability to be recalled, an offender cannot be detained in a penal institution beyond this date.
Home detention	An offender released from prison to serve their term of imprisonment by way of detention in an approved residence, subject to electronic monitoring. This may include rehabilitative or other programmes.
Integrated Offender Management System (IOMS)	IOMS is the Department's computer system that integrates the management of offenders. Information on individual offenders can be centrally accessed, with no duplication or re-entering of data.
Kia Marama	Special therapeutic unit at Rolleston Prison in Canterbury, which delivers group-based treatment within a therapeutic environment for inmates with convictions for sexual offences against children.
Making our Drivers Safer (MODS)	A community-based programme for serious and high-risk driver offenders, specifically targeted for those who compulsively drive while disqualified and those who drive under the influence of drugs and/or alcohol.
Māori focus unit	A unit within a prison which provides an environment and programmes that meet the specific psychological needs of Māori offenders, including preparation for their release. Māori focus units are constituted on tikanga Māori principles and operate within a tikanga Māori environment.

New Zealand Parole Board	The New Zealand Parole Board, established under the Parole Act 2002, determines the release of offenders on parole when the offender is serving a prison term of more than two years. The Board also considers applications for home detention from offenders who are sentenced to a term of imprisonment of less than two years.
Non-return from temporary release	Where an inmate does not return to prison at the appointed time.
Order for post-release conditions	A community-based sentence which involves an offender doing specified programmes or activities as part of their conditions of release from a sentence of less than two years imprisonment.
Output Pricing Review	A mechanism to determine with central agencies, resources required to sustain the medium to long-term delivery of departmental outputs.
Parole	An offender is released by the New Zealand Parole Board from a term of imprisonment and is subject to standard conditions of monitoring by a Probation Officer and may be subject to special conditions of a reintegrative or rehabilitative type.
Recidivism Index	An index which quantifies the rate of re-offending of a specified group of offenders over a defined follow-up period (currently 12 and 24 months), following release from a custodial sentence or commencement of a community-based sentence.
Reducing Youth Offending programme	A community-based intensive rehabilitation programme for high-risk teenage offenders. It caters for both Corrections and Child, Youth and Family offenders.
Rehabilitation Quotient	Measures the effectiveness of rehabilitative and other interventions in reducing re-offending.

Reintegrative services	Programmes that are targeted for offenders and their families/whanau to assist offenders reintegrate effectively back into the community and workforce on release from prison. This includes programmes that address areas such as family functioning and social attitudes, and life skills.
Reintegrative support services	A community-based service which aims to increase wellbeing and self-reliance of offenders and their families/whanau by providing intensive integrated family/whanau support for offenders returning to the community to parent children. This service is provided in Auckland and Christchurch.
Release-to-work	An initiative which allows inmates nearing their release date, and who meet certain eligibility criteria, to be temporarily released during the day to work.
Remand time	The number of days spent on remand in custody before sentencing. These are subtracted from the time to be served.
Responsivity/motivational programme	Programmes which aim to enhance an offenders ability to participate in interventions. These programmes may target offenders' willingness to participate, learning style, culture, level of literacy, and/or drug and alcohol status.
Straight Thinking	A programme designed to improve offenders' ability to think logically, consider the consequences of their choices, and use alternate ways of responding to interpersonal problems
Supervision	A community-based sentence requiring regular reporting to a Probation Officer, and may include attendance at an appropriate programme dealing with the cause of offending.

Strategic Business Plan

A document that outlines the Department's strategic direction.

Te Piriti

Special therapeutic unit at Auckland Prison which delivers group-based treatment within a therapeutic environment for inmates with convictions for sexual offences against children.

