



Statement of Service Performance

The offender journey as it relates to output classes

The diagram below shows the offender journey through the Corrections system as it relates to the government funded services that we deliver. The services are funded in the form of output classes. The Statement of Service Performance that forms Part B of this Annual Report reconciles our performance with the funded services.

POLICY ADVICE & MINISTERIAL SERVICES

151 Community Corrections sites

Corrections must ensure community-based offenders comply with any restrictions placed on them by the courts or NZPB. Offenders are assigned a probation officer to support and monitor them.

Directly supported by:

- Probation staff
- Community work supervisors
- GPS monitors
- Regional & admin teams

Key relationships:

- Justice Sector partners
- Social sector partners
- Community groups
- NZPB
- Iwi & whānau

CONTRACT MANAGEMENT OF SERVICES

- G4S
- Spotless
- Buddi
- Chubb

REHABILITATION & REINTEGRATION



Programmes

Corrections delivers programmes to offenders designed to motivate them to make positive changes in their attitude and behaviour. Programmes focus on motivation, specific offending, alcohol and other drug issues, and culture.

Directly supported by:

- Probation staff
- Psychologists
- Programme facilitators

Key relationships:

- Residential treatment providers
- Ministry of Health
- External programme providers

SENTENCES & ORDERS SERVED IN THE COMMUNITY

OFFENCE & OFFENDER NEEDS

Released on parole

PRISON-BASED CUSTODIAL SERVICES



17 prisons (three women's, 14 men's)

Corrections decides at which prison a sentence is served based on the offender needs and profile. All prisoners are assigned a case manager to support them.

Directly supported by:

- Custodial staff
- Health teams
- Specialist teams
- Regional & admin teams

Key relationships:

- Justice Sector partners
- Ministry of Health
- Prison volunteers
- Chaplaincy
- Iwi & whānau

CONTRACT MANAGEMENT OF SERVICES

- SERCO
- Spotless
- First Security

REHABILITATION & REINTEGRATION

Programmes

Corrections delivers programmes to offenders designed to motivate them to make positive changes in their attitude and behaviour. Programmes focus on motivation, behaviour leading to offending, alcohol and other drug issues, culture and parenting as appropriate.

Directly supported by:

- Psychologists
- Programme facilitators
- Tutors
- Prison volunteers

Key relationships:

- District Health Boards
- Māori service providers
- External programme providers
- Salvation Army
- Parents Centre



Education, Training, Employment

Corrections links offenders with relevant service providers who can deliver education, training and employment needs aimed to provide the skills necessary to lead an offence-free life.

Directly supported by:

- Probation staff

Key relationships:

- Service providers
- TEC
- Training institutes
- Education institutes
- Employers
- Work & Income



Reintegration

Corrections links offenders to relevant service providers who will support them to lead an offence-free life in the community.

Directly supported by:

- Probation staff

Key relationships:

- Service providers
- Work & Income
- Health providers
- Faith-based agencies
- Iwi & whānau
- Community groups

INFORMATION & ADMIN SERVICES TO THE JUDICIARY & NEW ZEALAND PAROLE BOARD

Corrections advises the courts and NZPB, and notifies victims when offenders have breached their conditions or are being considered for parole.

Directly supported by:

- Probation staff
- Psychologists
- Case managers
- Admin support staff

Key relationships:

- Independent NZPB members
- NZ Police
- State Services Commission
- Ministry of Justice
- Victim Support
- Judiciary

LIVING OFFENCE FREE



Education, Training, Employment

An education, training, employment pathway is built into the Offender Plan aimed to provide the skills necessary to lead an offence-free life. Corrections has prison-based industries and trade training workshops at each prison site.

Directly supported by:

- Offender employment instructors
- Case managers
- Custodial staff
- Work party supervisors

Key relationships:

- Training institutes
- Education institutes
- Employers
- External providers

Reintegration

Corrections provides a range of services to effectively transition and reintegrate prisoners into the community. Corrections has pre-release units at selected prison sites.

Directly supported by:

- Case managers
- Custodial staff
- Health staff

Key relationships:

- Supported accommodation providers
- Work & Income
- Community agencies
- Health providers
- Iwi & whānau
- Service providers
- Faith-based agencies



STATEMENT OF RESPONSIBILITY

In accordance with the *Public Finance Act 1989*, section 45C, I am responsible, as Chief Executive of the Department of Corrections, for the preparation of the Department's financial statements and statement of service performance, and for the judgements made in these statements.

I have responsibility of establishing, and I have established a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements including the forecast financial statements and the statement of service performance fairly reflect the financial position and operations of the Department for the year ended 30 June 2014.

Signed



Ray Smith
Chief Executive

24 September 2014

Countersigned



Neil Cherry
Deputy Chief Executive
Finance, Technology & Commercial

24 September 2014

INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

To the readers of the Department of Corrections financial statements and non-financial performance information for the year ended 30 June 2014.

The Auditor-General is the auditor of the Department of Corrections (the Department). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the non-financial performance information of the Department on her behalf.

We have audited:

- > the financial statements of the Department on pages 89 to 120, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and assets as at 30 June 2014, the statement of comprehensive income, statement of changes in taxpayers' funds, statement of departmental expenditure and capital expenditure against appropriations, statement of unappropriated expenditure, statement of trust monies and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- > the non-financial performance information of the Department that comprises the statement of service performance on pages 59 to 83 and the report about outcomes on pages 19 to 50.

OPINION

In our opinion:

- > the financial statements of the Department on pages 89 to 120:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Department's:
 - financial position as at 30 June 2014;
 - financial performance and cash flows for the year ended on that date;
 - expenses and capital expenditure incurred against each appropriation administered by the Department and each class of outputs included in each output expense appropriation for the year ended 30 June 2014; and
 - unappropriated expenses and capital expenditure for the year ended 30 June 2014.
- > the non-financial performance information of the Department on pages 19 to 50 and 59 to 83:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Department's service performance and outcomes for the year ended 30 June 2014, including for each class of outputs:
 - its service performance compared with the forecasts in the statement of forecast service performance at the start of the financial year; and
 - its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 24 September 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities, and we explain our independence.

BASIS OF OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the *International Standards on Auditing (New Zealand)*. Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the non-financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers overall understanding of the financial statements and the non-financial performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the non-financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Department's preparation of the financial statements and the non-financial performance information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.

An audit also involves evaluating:

- > the appropriateness of accounting policies used and whether they have been consistently applied;
- > the reasonableness of the significant accounting estimates and judgements made by the Chief Executive;
- > the appropriateness of the reported non-financial performance information within the Department's framework for reporting performance;
- > the adequacy of all disclosures in the financial statements and the non-financial performance information; and
- > the overall presentation of the financial statements and the non-financial performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the non-financial performance information. Also we did not evaluate the security and controls over the electronic publication of the financial statements and the non-financial performance information.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

RESPONSIBILITIES OF THE CHIEF EXECUTIVE

The Chief Executive is responsible for preparing:

- > financial statements and non-financial performance information that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the Department's financial position, financial performance, cash flows, expenses and capital expenditure incurred against each appropriation and its unappropriated expenses and capital expenditure; and
 - fairly reflect its service performance and outcomes.

The Chief Executive is also responsible for such internal control as is determined is necessary to enable the preparation of financial statements and non-financial performance information that are free from material misstatement, whether due to fraud or error. The Chief Executive is also responsible for the publication of the financial statements and non-financial performance information, whether in printed or electronic form.

The Chief Executive's responsibilities arise from the *Public Finance Act 1989*.

RESPONSIBILITIES OF THE AUDITOR

We are responsible for expressing an independent opinion on the financial statements and the non-financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the *Public Audit Act 2001* and the *Public Finance Act 1989*.

INDEPENDENCE

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

In addition to the audit we carried out assignments on the review of the proposal to directly procure a GPS contract, assurance over the Auckland East redevelopment project and assurance over the tender process for electronic monitoring services. These assignments are compatible with those independence requirements.

Other than the above assignments and audit, we have no relationship with or interests in the Department.



Clint Ramoo

Audit New Zealand

On behalf of the Auditor-General
Wellington, New Zealand

STATEMENT OF SERVICE PERFORMANCE 2013/14 FOR THE YEAR ENDED 30 JUNE 2014

As part of Budget 2013 – Information Supporting the Estimates 2013/14

APPROPRIATION - PRISON-BASED CUSTODIAL SERVICES

This appropriation is limited to the provision of custodial services for offenders lawfully required to be detained in custody. This includes remand prisoners (people awaiting trial and offenders convicted but not yet sentenced), those offenders sentenced to imprisonment, and any other offender required to be lawfully detained in custody.

OUTPUT CLASS STATEMENT

For the year ended 30 June 2014

	2012/13	2013/14		2014/15	
	Actual	Actual	Main	Supp.	Forecast*
	\$000	\$000	Estimates	Estimates	(unaudited)
					\$000
REVENUE					
Crown	745,039	752,900	753,130	752,900	725,445
Departmental	290	232	146	343	–
Other	1,980	3,566	104	8,277	2,191
Total revenue	747,309	756,698	753,380	761,520	727,636
Total expenses	742,859	759,218	753,380	761,520	727,636
Net surplus/(deficit)	4,450	(2,520)	–	–	–

*Forecast financial statements have been prepared using Budget Economic Fiscal Update (BEFU)

The total expense for the appropriation was \$759.2 million. With 17 prison sites across the country (16 managed by Corrections and one prison managed by Serco) a significant portion of the expenditure relating to this appropriation is costs associated with holding physical assets. These assets drive operational costs such as depreciation, maintenance and capital charge comprising approximately 25 per cent of this appropriation. With staff located across all prison sites the other significant costs associated with this appropriation are personnel costs. On any given day Corrections manages approximately 8,500 offenders and custodial personnel are predominantly responsible for the safe, secure and humane containment of offenders.

Actual expenditure was \$2.3 million lower than the Supplementary Estimates due to delays in a number of one-off projects including:

- > Allowances made within the budget to cover costs flowing on from the proposed enactment of the Public Safety (Public Protection Orders) Bill, which did not eventuate.
- > Expenditure relating to staff uniforms has been lower than originally anticipated.

This appropriation increased from the Main Estimates to the Supplementary Estimates due to additional one-off costs associated with the September 2012 Christchurch earthquake and the June 2013 Spring Hill riot, which have been incurred during 2013/14. These costs are expected to be partially offset by proceeds from claims against Corrections' insurance policies.

In addition, funding was transferred from 2012/13 to 2013/14 for anticipated one-off project related costs (e.g. Public Protection Orders, Staff Safety and Prisoner Clothing).

OUTPUT: CUSTODIAL SERVICES

This output provides custodial services for prisoners and ensures offenders complete the correct imposed order/sentence and comply with the specific restrictions and requirements of their order/sentence, are not harmed, and are treated fairly and their legitimate needs are met.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUANTITY							
The number of non-serious/ no injury prisoner/prisoner assaults (note 1)	New for 2011/12	812	720	750	≤800	(50)	≤750
The number of non-serious/ no injury prisoner/staff assaults (note 1)	New for 2011/12	338	337	314	≤300	14	≤300
The number of general random drug tests sampled (note 1)	4,036	4,140	4,191	4,295	≥4,200	95	≥4,200
QUALITY							
Percentage of initial offender plans completed within required timeframes* (note 1)	–	–	–	85%	New for 2014/15	–	≥85%

*New performance measures for 2014/15 have current year comparisons for future reporting purposes

Activity Information	Previous Years			Current Year			Next Year
	2010/11 Actual Volume	2011/12 Actual Volume	2012/13 Actual Volume	2013/14 Actual Volume	2013/14 Budget Volume	2013/14 Variance	2014/15 Budget Volume
NUMBER OF OFFENDERS							
The average prison population ⁴ (note 1)	8,712	8,587	8,614	8,460	8,634	(174)	8,246
The maximum number of prisoners held (note 1)	8,853	8,738	8,743	8,640	8,793	(153)	8,393

Corrections monitors a number of measures across its activities to assess:

- > the overall safety of the prison environment
- > the security of its facilities; and
- > the effectiveness in preventing contraband entering prisons.

The volume of prisoner on prisoner assaults was below the maximum acceptance level for the year, although slightly up on last year's result. However, the effectiveness of our 2013/14 safety initiatives and zero tolerance for violence saw a reduction in more serious assaults compared to the previous year, as noted in our impact measures on page 37 (down from 55 serious assaults in 2012/13 to 42 this year).

Although the number of non-serious/no injury assaults on staff was higher than the expected levels, the impact of the release of the staff safety plan and associated initiatives has seen a significant reduction to six serious assaults by prisoners on staff, down from 13 in the previous year.

Our effectiveness at ensuring contraband does not enter our prison system is measured by the percentage of general random prisoner drug tests that show a positive test result for illegal drugs. During 2013/14, we completed 4,295 general random drug tests; of the 4,226 resulted tests 3.8 per cent returned a positive result, our most successful year since testing began in 1998.

⁴ The original budgeted volumes were based on Justice Sector Forecasts finalised on 28 September 2012. The most recent forecasts were revised in December 2013 and expect lower levels of offenders compared to the original budget. The actual number of prisoners is currently above the revised forecasts due to higher than expected prisoners on remand.

We attribute this success to the introduction of a number of new initiatives, in particular the introduction of the prisoner television rental scheme (see page 36 for more detail).

Corrections has introduced a new measure to ensure initial offender plans are completed within the required timeframes. The completion of these plans in a timely manner enables the best possible opportunity for offenders to participate in rehabilitation, employment and education programmes while serving their sentence.

The timely completion of each plan is dependent on the efficient and effective completion of risk assessments and health screenings undertaken in the custodial environment. The performance of 85 per cent reflects the voluntary nature of offender plans and highlights those offenders who are not willing to participate or are unable to participate due to being transferred between prisons.

OUTPUT: HEALTH

This output provides for health assessments and primary healthcare for all prisoners in custody.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUALITY							
The percentage of new receptions who have been assessed as requiring a cardio-vascular risk assessment (CVRA), and receive a CVRA within eight weeks of identification	–	New for 2012/13	83%	94%	≥90%	4%	≥90%
The number of identified Health Centres achieving Cornerstone accreditation	–	New for 2012/13	6	5	4	1	1
The percentage of newly received prisoners who have a reception health triage assessment on the day of reception (note 1)	92%	98%	99%	98%	≥95%	3%	≥95%

Activity Information	Previous Years			Current Year			Next Year
	2010/11 Actual Volume	2011/12 Actual Volume	2012/13 Actual Volume	2013/14 Actual Volume	2013/14 Budget Volume	2013/14 Variance	2014/15 Budget Volume
NUMBER OF PRISONERS							
The number of prisoners who require a health screening upon reception (note 1)	31,835	29,295	30,253	29,751	30,500	(749)	30,500
The total number of health consultations with healthcare staff (note 1)	244,048	234,421	264,422	178,859 ⁵	264,000	(85,141)	124,300

⁵ Reporting of the volume of health consultations undertaken was refined in late 2013 and appropriate staff training was carried out so that this measure distinguishes consultations regarding health issues from routine interactions with prisoners such as dispensing medication. The decrease in volumes for this measure in 2013/14 is because of this redefinition coming into effect in the later part of the current financial year.

Corrections Health Services provides a primary health care service to prisoners equivalent to that the general population would receive from a General Practitioner. As a primary health care provider, Corrections Health Services has a critical role in prevention, early detection, robust clinical management and continuity of care.

A reception health triage assessment is the first opportunity that Health Services staff will have to obtain health information about prisoners who may need health services while they are in prison. These assessments ensure that the prisoner's immediate health needs are clinically addressed in a timely manner. The percentage of newly received prisoners who have a reception health triage assessment on the day of the reception was 98 per cent (2012/13: 99%) well above the expected standard.

The target of 95 per cent was set to exclude prisoners who on reception to prison may require an interpreter, are under the influence of drugs or alcohol, or are received outside of the health centre hours.

The percentage of new prisoners who require and receive a cardio-vascular risk assessment within eight weeks of identification has increased to 94 per cent (2012/13: 83%).

A national strategy aimed at addressing cardio-vascular disease in New Zealand has been developed by the Ministry of Health. As part of that strategy, Corrections is committed to providing a specialist cardio-vascular risk assessment to all prisoners who are in an at-risk group.

APPROPRIATION - SENTENCES AND ORDERS SERVED IN THE COMMUNITY

This appropriation is limited to the management and delivery of sentences and orders served in the community, and electronic monitoring of people on bail.

OUTPUT CLASS STATEMENT

For the year ended 30 June 2014

	2012/13	2013/14		2014/15	
	Actual	Actual	Main Estimates	Supp. Estimates	Forecast* (unaudited)
	\$000	\$000	\$000	\$000	\$000
REVENUE					
Crown	206,483	217,767	206,065	217,767	218,470
Departmental	–	46	–	68	–
Other	323	–	–	–	–
Total revenue	206,806	217,813	206,065	217,835	218,470
Total expenses	203,233	210,307	206,065	217,835	218,470
Net surplus/(deficit)	3,573	7,506	–	–	–

*Forecast financial statements have been prepared using Budget Economic Fiscal Update (BEFU)

The total expense for this appropriation was \$210.3 million. Approximately half of the cost within this output class relates to personnel. With approximately 36,500 sentences and orders being served in the community, our staff play a vital role in making communities safer by effectively managing sentences and orders such as community work, home detention and parole. Other costs associated with this output class include the electronic monitoring of offenders.

Actual expenditure was \$7.5 million (3.5%) less than the Supplementary Estimates. This was due to delays in a number of one-off projects including:

- > Amendments to legislation allowing random drug testing on community-based offenders and bailees who are subject to abstinence conditions were delayed. An in-principle expense transfer has been approved for up to \$2 million from 2013/14 to 2015/16.
- > Delays in the Electronic Monitoring Procurement Project have resulted in expenditure now occurring later than originally planned. An in-principle expense transfer been approved for up to \$3 million from 2013/14 to 2014/15.

At Main Estimates the 2013/14 budget for this output class was \$206.1 million. During the year this was increased as a result of the following activities:

- > The provision of Electronic Monitored Bail operations being transferred from NZ Police to Corrections, effective from 1 October 2013.
- > A shift in demand to the management of more intensive community-based sentences and orders, with less time being spent on services provided directly to the Judiciary.

Corrections has permanently transferred funding from the 'Information and Administrative Services to the Judiciary and New Zealand Parole Board' output class to the 'Sentence and Orders Served in the Community' output class as this trend is expected to continue in the foreseeable future.

OUTPUT: HOME DETENTION SENTENCES

This output covers sentences imposed by the courts that require the offender to reside at an approved address under strict conditions and with strict monitoring, including electronic monitoring. The Department ensures that offenders complete the correct imposed sentence and comply with the restrictions and requirements of their sentence.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUALITY AND TIMELINESS							
Compliance with mandatory standards for home detention sentences (note 2)	–	New for 2012/13	96%	94% ⁶	≥98%	(4%)	≥98%
Activity Information	Previous Years			Current Year			Next Year
	2010/11 Actual Volume	2011/12 Actual Volume	2012/13 Actual Volume	2013/14 Actual Volume	2013/14 Budget Volume	2013/14 Variance	2014/15 Budget Volume
NUMBER OF OFFENDERS							
The total number of offenders commencing a home detention sentence	3,774	3,363	3,527	3,340	3,275	65	3,552
The average number of home detention sentences being served	3,001	2,693	2,854	2,947	2,748	199	2,896

The number of offenders commencing a home detention sentence dropped to 3,340 (2012/13: 3,527). However, the average number serving a home detention sentence on any day increased to 2,947 offenders (2012/13: 2,854) representing an increase in the average length of a home detention sentence to 6.5 months (2012/13: 6.3 months).

Corrections ensures that all community offenders comply with their sentences and orders. Compliance is achieved when offenders:

- > complete the imposed sentence or order
- > comply with all directives and restrictions inherent to the sentence or order (e.g. attendance at programmes, non-association orders, residential or employment restrictions); and/or
- > experience appropriate consequences in the event of non-compliance.

Any failure by an offender to comply with a requirement of the sentence is considered to be non-compliance. This could include failure to report as instructed, breaking a curfew, or failure to advise of an address change.

Corrections measures compliance with community sentences and orders at the impact and outcome level (see page 33).

A key component of ensuring compliance, and that appropriate action is taken in the event of non-compliance, is ensuring that probation staff comply with a set of mandatory standards. The mandatory standards are designed to measure the quality of service provided by Corrections.

Our compliance with the mandatory standards required for the management of home detention sentences was 94 per cent (2012/13: 96%) which was marginally below the performance standard.

The primary reasons for a failure to meet the standards were:

- > approved absences that had not been entered in case notes
- > home visits unable to be completed within five days
- > action not taken, or rationale for action not taken, for failure to report by offenders.

In most cases, non-compliance with the mandatory standard was the result of administrative oversight and did not impact on the safety of the community. In the case where actions were not taken or rationale for action not taken for failure to report, the probation officer followed it up with a corrective action.

⁶ Reporting of the compliance with mandatory standards undertaken was refined in April 2013 making the measure more astute in finding areas of non-compliance. The decrease in compliance for this measure in 2013/14 is because of this redefinition coming into effect.

OUTPUT: COMMUNITY-BASED SENTENCES

This output covers the management of offenders serving community-based sentences, such as: community work, intensive supervision, community detention and supervision. The Department ensures that offenders complete the correct imposed sentence and comply with the restrictions and requirements of their sentence.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUALITY AND TIMELINESS							
Compliance with mandatory standards for community-based sentences (note 2)	–	New for 2012/13	95%	93% ⁷	≥98%	(5%)	≥98%

Activity Information	Previous Years			Current Year			Next Year
	2010/11 Actual Volume	2011/12 Actual Volume	2012/13 Actual Volume	2013/14 Actual Volume	2013/14 Budget Volume	2013/14 Variance	2014/15 Budget Volume
NUMBER OF OFFENDERS							
The total number of offenders commencing community-based sentences ⁸	61,721	58,726	54,561	49,018	67,666	(18,648)	49,786
The average number of community-based sentences being served	35,856	33,076	30,359	27,676	31,349	(3,673)	27,239

There has been a reduction in the volume of community sentences commenced at 49,018 (2012/13: 54,561), which also translates into a lower average number of sentences served.

The volumes by sentence type that contribute to this output are provided in the table below.

Sentence type (average number of sentences)	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual
Supervision	7,591	7,883	8,243	7,751
Intensive supervision	2,619	2,531	2,464	2,381
Community work	23,962	20,892	17,702	15,825
Community detention sentence	1,684	1,770	1,950	1,719

Our compliance with the mandatory standards required for the management of community-based sentences was 93 per cent (2012/13: 95%) which was below our performance target.

The primary reasons for a failure to meet the standards were:

- > home visits were unable to be completed within five days
- > offender plans that were commenced but not completed
- > action not taken, or rationale for action not taken, for failure to report by offender.

In most cases, non-compliance with the mandatory standard was the result of administrative oversight and did not impact on the safety of the community. In the case where actions were not taken or rationale for action not taken for failure to report, the probation officer followed it up with a corrective action.

⁷ Reporting of the compliance with mandatory standards undertaken was refined in April 2013 making the measure more astute in finding areas of non-compliance. The decrease in compliance for this measure in 2013/14 is because of this redefinition coming into effect.

⁸ The original budgeted volumes were based on Justice Sector Forecasts finalised on 28 September 2012. The most recent forecasts were revised in December 2013 and expect lower levels of offenders compared to the original budget.

OUTPUT: POST-RELEASE ORDERS

This output covers the management of offenders who have post-release conditions as imposed by the courts at the time of sentencing for prisoners with short sentences. It also covers parole orders imposed by the New Zealand Parole Board (NZPB) and extended supervision orders imposed by the courts, with additional special conditions set by the NZPB to actively manage the long term risks posed by high-risk child-sex offenders in the community. The Department ensures that offenders complete the correct imposed order and comply with the restrictions and requirements of their order.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUALITY AND TIMELINESS							
Compliance with mandatory standards for post-release orders (note 2)	–	New for 2012/13	98%	96% ⁹	≥98%	(2%)	≥98%
Activity Information	Previous Years			Current Year			Next Year
	2010/11 Actual Volume	2011/12 Actual Volume	2012/13 Actual Volume	2013/14 Actual Volume	2013/14 Budget Volume	2013/14 Variance	2014/15 Budget Volume
NUMBER OF OFFENDERS							
The total number of offenders with a post-release order ¹⁰	6,452	6,140	5,999	5,779	5,901	(122)	5,714
The average number of post-release orders being served	5,827	5,968	5,917	5,899	6,155	(256)	5,916

There has been a reduction in the number post-release orders commencing to 5,779 (2012/13: 5,999), which also translates into a lower average number of post-release orders being served.

The volumes by post-release order type that contribute to this output are provided in the table below.

Order type (average number of sentences)	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual
Post-release conditions	3,538	3,473	3,350	3,277
Parole/residential restrictions	2,119	2,303	2,360	2,404
Extended supervision	170	192	207	218

Our compliance with the mandatory standards required for the management of community-based sentences was 96 per cent (2012/13: 98%).

The primary reasons for a failure to meet the standards were:

- > home visits were unable to be completed within five days
- > offender plans that were commenced but not completed
- > action not taken, or rationale for action not taken, for failure to report by offender.

In most cases, non-compliance with the mandatory standard was the result of administrative oversight and did not impact on the safety of the community. In the case where actions were not taken or rationale for action not taken for failure to report by offender, the probation officer had followed it up with a corrective action.

⁹ Reporting of the compliance with mandatory standards undertaken was refined in April 2013 making the measure more astute in finding areas of non-compliance. The decrease in compliance for this measure in 2013/14 is because of this redefinition coming into effect.

¹⁰ The original budgeted volumes were based on Justice Sector Forecasts finalised on 28 September 2012. The most recent forecasts were revised in December 2013 and expect lower levels of offenders compared to the original budget.

OUTPUT: ELECTRONIC MONITORING BAIL (EM BAIL)

This output covers the management of people on electronic monitoring as a condition of bail (EM bail) which is granted to suitable defendants who would otherwise be remanded in custody, in prison, while waiting for a court hearing. EM bail may be available to a defendant who has either had bail refused or has been remanded in custody because bail has not been sought.

Activity Information	Previous Years			Current Year			Next Year
	2010/11 Actual Volume	2011/12 Actual Volume	2012/13 Actual Volume	2013/14 Actual Volume	2013/14 Budget Volume	2013/14 Variance	2014/15 Budget Volume
NUMBER OF BAILEES							
The number of new EM bail conditions imposed*	–	–	–	392	New for 2014/15	–	1,000
The average number of EM bail conditions*	–	–	–	273	New for 2014/15	–	431

**New performance measures for 2014/15 have current year comparisons for future reporting purposes*

Provision of EM bail operations was transferred from NZ Police to Corrections, effective from 1 October 2013, with the full transition being completed during January 2014. The average EM bail population has increased from 223 when the transfer began on 1 October 2013 to 273 people on bail within the last nine months (to 30 June 2014).

APPROPRIATION - REHABILITATION AND REINTEGRATION

This appropriation is limited to the provision of case management and interventions designed to address the underlying causes of criminal re-offending.

OUTPUT CLASS STATEMENT

For the year ended 30 June 2014

	2012/13	2013/14		2014/15	
	Actual	Actual	Main Estimates	Supp. Estimates	Forecast* (unaudited)
	\$000	\$000	\$000	\$000	\$000
REVENUE					
Crown	117,074	141,967	139,599	141,967	149,048
Departmental	–	72	–	106	–
Other	38,190	37,943	30,998	35,598	29,694
Total revenue	155,264	179,982	170,597	177,671	178,742
Total expenses	145,923	161,937	170,597	177,671	178,742
Net surplus/(deficit)	9,341	18,045	–	–	–

*Forecast financial statements have been prepared using Budget Economic Fiscal Update (BEFU)

The total expense for this appropriation was \$161.9 million and is fundamental to achieving the 25 per cent reduction in re-offending by 2017. The main cost drivers are personnel and contract costs related to programme delivery.

Actual expenditure was \$15.7 million (9%) less than the Supplementary Estimates due to staff vacancies and delays in establishing contract providers for the delivery of certain programmes. This has resulted in an in-principle expense transfer being approved for up to \$2.5 million from 2013/14 to 2015/16 for the Out of Gate programme.

The increase in spending between Main Estimates and Supplementary Estimates of \$7 million was due to an increase in offender employment activities which are partially funded by favourable market prices for goods and services provided through these activities.

In addition, Corrections transferred funding from 2012/13 to 2013/14 to support the completion of activities within the reducing re-offending programme.

OUTPUT: CASE MANAGEMENT

This output is focused on planning and managing a prisoner's rehabilitation and reintegration needs which are reflected in a high quality offender plan for each individual prisoner.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUANTITY							
The percentage of prisoners entitled to receive an offender plan that received one (note 1)	New for 2011/12	96%	98%	99.5%	≥95%	4.5%	≥95%

Case management focuses on providing end-to-end case management for prisoners in order to actively manage them on a regular basis. Case management involves, firstly, identifying the individual needs of an offender, and then ensuring these needs are met; all with the ultimate aim of reducing the risk of re-offending.

We measure our performance by undertaking a monthly check of the prison population to ensure that all offenders entitled to a plan have one with the annual result being 99.5 per cent (2012/13: 98%).

OUTPUT: INTERVENTIONS – TRAINING AND EDUCATION

This output focuses on providing prisoners with industry recognised qualifications which improve their ability to engage productively in society upon release. It ensures that those undertaking these interventions have had their educational and training needs correctly assessed and that the Department is providing these opportunities to a minimum number of prisoners each year.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUALITY							
The percentage of prisoners who demonstrate measurable gains with literacy and numeracy (note 3)	New for 2011/12	89%	82%	71%	≥75%	(4%)	≥75%
QUANTITY							
The number of prisoners who receive literacy and numeracy programmes	–	New for 2012/13	2,981	3,801	2,969	832	2,969
The total number of qualifications achieved by prisoners while in prison	New for 2011/12	3,145	3,160	3,858	2,800	1,058	3,505

The percentage of prisoners demonstrating measurable gains in literacy and numeracy has fallen short of our expectations this year (71% against a target of 75%). Corrections contracts for the delivery of high quality education and training activities for prisoners that will contribute to our intended outcomes for society, in particular that offenders are provided with the skills and support to lead law-abiding lives and thereby reduce the risk of their re-offending.

In order to achieve our outcome we have revised our education strategy to ensure that appropriate levels of education are provided to suit the needs of all offenders. In previous years we have delivered literacy and numeracy education to all prisoners regardless of identified need.

During 2013/14 we have expanded our education and training provision to enable prisoners with higher levels of literacy and numeracy attainment to undertake training aimed at increasing their prospects of gaining employment on release. The net result of this is that we now measure literacy and numeracy attainment levels across a group of offenders with an overall lower level of numeracy and literacy at the beginning of the programme.

Corrections has seen a shift in more long-serving prisoners (5-15 years of average sentence length), which means they are staying longer in employment and training based activities. There has also been a shift in the Corrections' education and training strategy, which promotes programmes designed to provide access to useful qualifications on the New Zealand Qualifications Framework (NZQF).

The combined impact of this is seen in the steep increase in the number of qualifications achieved by prisoners. Along with the increase in the volume of qualifications, the qualifications achieved are of a higher level than last year. The combined volume of Level 2 and 3 qualifications achieved by prisoners has more than tripled from 2012/13.

Level	Type	2012/13 Actual	2013/14 Actual	Change (%)
LESS THAN LEVEL ONE	LCP¹¹/MTP¹²	1,326	4	
	Trade Ticket	103	16	
	Health and Safety	279		
	Driver Licence	93	17	
Qualifications achieved		1,801	37	(98%)
LEVEL ONE	LCP/MTP	2	106	
	National Certificate	172	119	
Qualifications achieved		174	225	29%
LEVEL TWO	LCP/MTP	4	1,482	
	National Certificate	1,072	1,165	
	Trade Ticket		59	
	Health and Safety		363	
	Driver Licence		261	
Qualifications achieved		1,076	3,330	209%
LEVEL THREE	LCP/MTP	10	82	
	National Certificate	85	115	
	Trade Ticket		13	
	Health and Safety		46	
Qualifications achieved		95	256	169%
LEVEL FOUR	National Certificate	14	10	
Qualifications achieved		14	10	(29%)

The qualifications achieved are in the area of timber processing and forestry (29%), asset maintenance, laundry and kitchen (29%), engineering (14%), farming and horticulture (14%) and other training activities (14%).

11 Limited Credit Programme (LCP).

12 Modularised Training Programme (MTP).

OUTPUT: INTERVENTIONS – PRISONER EMPLOYMENT

This output is focused on providing employment relevant skills that can be applied upon release to secure employment.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUANTITY							
The number of prisoners who have engaged in employment activities	–	New for 2012/13	10,085	9,777	11,435	(1,658)	11,460

Despite the lower than expected number of prisoners in these activities over the year, actual employment, measured by the number of hours of employment, has increased by around 11 per cent since last year. Approximately eight million hours of employment have been completed by prisoners, compared to 7.3 million hours in 2012/13, with the average time spent in employment per prisoner across the average number of prisoners engaged also increasing by approximately three hours per prisoner per week.

Measures	2012/13 Actual	2013/14 Actual
Total hours of employment	7,290,306	8,071,582
Average hours per week	138,640	155,227
Average prisoners employed per week	4,770	4,740
Average hours of employment per week per prisoner	29.07	32.75

OUTPUT: INTERVENTIONS – REHABILITATION

This output is focused on ensuring offenders start and complete their rehabilitation.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUALITY							
The percentage of offenders who start and complete a rehabilitation programme:							
– prisoners	–	New for 2012/13	86%	85%	≥75%	10%	≥75%
– community-based offenders	–	New for 2012/13	63%	63%	≥65%	(2%)	≥65%
QUANTITY							
The number of offenders who start a rehabilitation programme:							
– prisoners	–	New for 2012/13	11,279	14,035	14,135	(100)	13,247
– community-based offenders	–	New for 2012/13	4,950	7,439	7,856	(417)	7,911
– community-based offenders	–	New for 2012/13	6,329	6,596	6,279	317	5,336

Rehabilitation programmes empower offenders to break the cycle of their offending by giving them the opportunity to learn the skills they require to change their patterns of behaviour. Offender needs are identified by case managers, and offenders are given the opportunity of participating in programmes that help to address their needs. These include Special Treatment Programmes for sex offenders, Domestic Violence Treatment, Tikanga Māori Programmes and Alcohol and Drug Treatment Programmes.

In the 2013/14 financial year 7,439 prisoners (2012/13: 4,950) started a prison-based rehabilitation programme, which was lower than expected by 417. During the year new Alcohol and Drug Treatment programmes and a broad range of programmes that were delivered according to local and regional needs were introduced. Some delays were experienced embedding the new programmes at a local level leading to a small under-delivery against our expected target.

The 7,439 starts on prison-based rehabilitation programmes include:

- > 3,525 on Alcohol and Drug Treatment Programmes (includes programmes of various length from two weeks to six months, an increase of 2,499 from the previous year)
- > 1,064 on Tikanga Māori Programme (delivered by Māori service providers, that use Māori philosophy, values, knowledge and practices to emphasise the relationship of the individual with their social and cultural environment)
- > 927 on a Medium Intensity Suite Programme (ranging from Short Motivational Programmes through to the 10 week long Medium Intensity Rehabilitation Programme). These are offence focused and support offenders to alter the thoughts, attitudes and behaviours that led to their offending and assist them to develop strategies for maintaining positive change
- > 621 Individual Psychological Treatment Programmes (one-on-one treatment by which psychologists provide offenders with specialist advice, assessment, and treatment to reduce an offender's risk of re-offending, where the offender is unlikely to benefit from a group based programme); and
- > 310 on a Special Treatment Unit Programme (special programmes which are high intensity offence-focused psychological interventions that address sex offending, violence, etc.).

In the 2013/14 financial year 6,596 community-based offenders (2012/13: 6,329) started a rehabilitation programme, including:

- > 2,443 on the Domestic Violence Treatment Programme (provides offenders with skills to live without domestic violence by training them to control violent impulses and resolve conflicts without violence)
- > 1,125 on a Medium Intensity Suite Programme (ranging from Short Motivational Programmes through to the 10 week long Medium Intensity Rehabilitation Programme). These are offence focused and support offenders to alter the thoughts, attitudes and behaviours that led to their offending, and assist them to develop strategies for maintaining positive change
- > 1,046 on programmes implemented through the Regional Initiative Fund (provides regions with the opportunity to contest for funding by submitting their ideas for new and effective rehabilitation activities)
- > 921 on Tikanga Māori Programmes (60-80 hours long and offers a culturally responsive programme for offenders who identify as Māori by looking at Māori culture as a pathway to address the underlying causes of their offending and develop positive goals for the future)
- > 676 on Individual Psychological Treatment Programme (one-on-one treatment by which psychologists provide offenders with specialist advice, assessment, and treatment to reduce an offender's risk of re-offending); and
- > 385 on Other programmes (includes Tai Aroha Residential Rehabilitation Programme, Young Offenders Programme, Residential Drug Treatment Programme, and Child Sex Offender Treatment Programme).

OUTPUT: INTERVENTIONS – REINTEGRATION

This output is focused on ensuring offenders start and complete their reintegrative interventions.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUALITY							
The percentage of prisoners who have had their reintegrative needs addressed	–	New for 2012/13	78%	86%	≥60%	26%	–
Number of offenders referred by case managers through to Out of Gate providers* ¹³	–	–	–	1,685	New for 2014/15	–	4,300

**New performance measures for 2014/15 have current year comparisons for future reporting purposes*

Reintegration is the process of successfully transitioning offenders to the wider community from the custody of, and/or control by Corrections. The goal is to successfully transition offenders and settle them in the wider community with constructive attitudes and behaviours.

The six pillars are the core reintegrative needs commonly required by prisoners in Corrections care:

- > Employment – every prisoner is engaged in sustainable employment/has employment resilience
- > Accommodation – every prisoner has safe, appropriate and long-term sustainable accommodation
- > Education and training – every prisoner has skills, training, and support to acquire and retain sustainable employment
- > Oranga: Health and wellbeing – every prisoner has strategies to maintain spiritual, personal, and cultural wellbeing
- > Skills for Life – every prisoner has skills to manage household, family/whānau and financial commitments
- > Family/whānau and community support – every prisoner has positive family/whānau and/or community support.

5,823 offender needs for reintegration were identified; of which 5,026 (86%) were met. (2012/13: 78%)

During the year, Out of Gate was introduced as a reintegration service aimed at supporting prisoners who are sentenced to imprisonment for two years or less or on remand for 60 days or more; and have one or more reintegrative needs.

There are two levels of service:

- > Standard service which provides a core level of support to connect eligible participants with support services to assist with their successful reintegration into the community
- > Intensive service which is aimed at short-serving offenders with more complex and challenging needs.

In 2013/14, 1,477 referrals were made for standard services and 208 were for intensive services.

¹³ The Out of Gate service was implemented from October 2013.

APPROPRIATION - INFORMATION AND ADMINISTRATIVE SERVICES TO THE JUDICIARY AND NEW ZEALAND PAROLE BOARD

This appropriation is limited to the provision of information about offenders to victims of crime, the Judiciary and the New Zealand Parole Board, and the provision of administrative, financial and secretariat services to the New Zealand Parole Board.

OUTPUT CLASS STATEMENT

For the year ended 30 June 2014

	2012/13	2013/14		2014/15	
	Actual	Actual	Main Estimates	Supp. Estimates	Forecast* (unaudited)
	\$000	\$000	\$000	\$000	\$000
REVENUE					
Crown	61,912	54,193	61,844	54,193	53,277
Departmental	–	14	–	20	–
Other	71	–	–	–	–
Total revenue	61,983	54,207	61,844	54,213	53,277
Total expenses	58,842	51,767	61,844	54,213	53,277
Net surplus/(deficit)	3,141	2,440	–	–	–

*Forecast financial statements have been prepared using Budget Economic Fiscal Update (BEFU)

The total expense for this appropriation was \$51.8 million. Approximately half of the costs associated with this appropriation are staff related. Reports written by our staff are used to provide the Judiciary and New Zealand Parole Board with relevant offender information.

The decrease in the budget between the Main Estimates and Supplementary Estimates of \$7.6 million (5%) reflects the decline in the demand for information and administrative services provided to the Judiciary, victims of crime and Parole Board.

Funding was permanently transferred from the 'Information and Administrative Services to the Judiciary and New Zealand Parole Board' to the 'Sentences and Orders Served in the Community' output class to meet increased management of offenders on community-based sentences and orders.

OUTPUT: INFORMATION SERVICES TO THE JUDICIARY

This output focuses on the preparation of reports that provide sentencing Judges with information about offenders, to assist with the sentencing process. This service includes attendance at court, prosecutions, and attendance at sentencing resulting from probation initiated proceedings. This output supports the Judiciary to make informed decisions.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUALITY							
The percentage of probation reports provided to court that met mandatory standards (note 4)	94%	97%	98%	98%	≥90%	8%	≥90%
TIMELINESS							
The percentage of reports provided to court within agreed timeframes before sentencing: (note 5)							
- probation reports	94%	95%	94%	94%	≥95%	(1%)	≥95%
- psychological reports (note 1)	98%	98%	84%	94%	≥95%	(1%)	≥95%

Activity Information	Previous Years			Current Year			Next Year
	2010/11 Actual Volume	2011/12 Actual Volume	2012/13 Actual Volume	2013/14 Actual Volume	2013/14 Budget Volume	2013/14 Variance	2014/15 Budget Volume
NUMBER OF REPORTS AND HOURS							
The number of reports provided to court: ¹⁴	58,135	53,399	47,494	39,420	50,540	(11,120)	44,557
- probation reports	58,017	53,286	47,310	39,266	50,290	(11,024)	44,332
- psychological reports (note 1)	118	113	184	154	250	(96)	225
The number of court attendance hours	101,895	102,159	97,561	106,740	103,586	3,154	99,227
Number of Electronic Monitoring bail (EM bail) applications submitted to court*	-	-	-	1,319	New for 2014/15	-	2,500

*New performance measures for 2014/15 have current year comparisons for future reporting purposes

The average number of unique offenders serving a community-based sentence or order has decreased to 29,637 (2012/13: 30,999). This decrease in the overall community-based offender population has resulted in lower than expected demand for the provision of advice to courts in written form.

The volume of reports provided to courts was 22 per cent lower than expected for probation and 38 per cent below the budget for psychological reports. There was a noticeable improvement in the timeliness of psychological reports which increased by 10 per cent since last financial year.

We continue to exceed our performance standard for the quality of reports provided to the courts.

¹⁴ The original budgeted volumes were based on Justice Sector Forecasts finalised on 28 September 2012. The most recent forecasts were revised in December 2013 and expect lower levels of offenders compared to the original budget and therefore lower numbers of reports to the Judiciary.

OUTPUT: INFORMATION SERVICES TO THE NEW ZEALAND PAROLE BOARD (NZPB)

This output focuses on ensuring reports provide information to the NZPB to assist with decisions regarding a prisoner's release from prison. The Department also provides progress reports to the NZPB on offender compliance with the conditions of their parole orders. This output supports the NZPB to make informed decisions.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUALITY							
The percentage of parole progress reports provided to agreed standards pursuant to NZPB requirements	New for 2011/12	99%	97%	95%	≥90%	5%	–
TIMELINESS							
The percentage of reports provided to agreed timeframes pursuant to NZPB requirements: (note 6)							
– parole assessment reports (note 1)	New for 2011/12	85%	88%	88%	≥75%	13%	≥75%
– parole progress reports	93%	97%	96%	93%	≥95%	(2%)	≥95%
– psychological reports (note 1)	100%	95%	94%	94%	≥90%	4%	≥90%

Activity Information	Previous Years			Current Year			Next Year
	2010/11 Actual Volume	2011/12 Actual Volume	2012/13 Actual Volume	2013/14 Actual Volume	2013/14 Budget Volume	2013/14 Variance	2014/15 Budget Volume
NUMBER OF REPORTS							
The number of reports provided to the NZPB:	8,350	8,352	8,249	8,210	7,335	875	6,868
– parole assessment reports (note 1)	6,626	6,725	6,772	6,622	5,699	923	5,369
– parole progress reports	508	415	320	307	436	(129)	299
– psychological reports (note 1)	1,216	1,212	1,157	1,281	1,200	81	1,200

The volume of reports provided to the NZPB was four per cent lower than last year for probation and 11 per cent higher than last year for psychological reports.

Despite the increase in volumes in psychological reports, the timeliness of these reports maintained performance at 94 per cent (2012/13: 94%).

OUTPUT: INFORMATION AND ADMINISTRATIVE SERVICES TO VICTIMS

This output focuses on the administration of victim notification services. The Department has a responsibility to notify eligible victims about specific events as detailed in the *Victims' Rights Act 2002*. The New Zealand Police refer details of eligible victims to the Department.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUALITY AND TIMELINESS							
The number of justified complaints about notification services received from registered victims (note 7)	Nil	Nil	1	2	Nil	(2)	Nil
Activity Information	2010/11 Actual Volume	2011/12 Actual Volume	2012/13 Actual Volume	2013/14 Actual Volume	2013/14 Budget Volume	2013/14 Variance	2014/15 Budget Volume
NUMBER OF VICTIMS							
The number of victim referrals	731	754	753	912	≥700	212	≥1,800

The number of victim referrals received from New Zealand Police was 30 per cent over the standard expected, and is significantly higher than volumes experienced in previous years. The referral process is driven by Police, and as such Corrections has no direct control over the number of referrals received.

Two justified complaints were received during the year. Corrections aims to have no justified complaints about notification services received from registered victims. The two complaints were in relation to:

- > an inappropriate request for access to the children of the offender; and
- > insufficient notification to a victim relating to a temporary release.

OUTPUT: ADMINISTRATIVE SERVICES TO THE NEW ZEALAND PAROLE BOARD (NZPB)

The Department provides administrative services to the Board.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUALITY							
The percentage of offenders who are notified as per NZPB requirements (note 8)	100%	100%	100%	100%	≥98%	2%	≥98%
The percentage of victims who are notified as per NZPB requirements	98%	100%	100%	100%	≥98%	2%	≥98%
TIMELINESS							
The percentage of all cases to be heard by the NZPB that are scheduled no later than 16 weeks from the date of the hearing	100%	100%	100%	100%	≥98%	2%	≥98%

Activity Information	Previous Years			Current Year			Next Year
	2010/11 Actual Volume	2011/12 Actual Volume	2012/13 Actual Volume	2013/14 Actual Volume	2013/14 Budget Volume	2013/14 Variance	2014/15 Budget Volume
NUMBER OF HEARINGS							
The number of NZPB hearings where administrative support was required	9,058	8,942	8,614	8,718	8,500	218	8,500

Corrections met all the performance standards for this output with an increased volume of hearings compared to expected levels and 2012/13.

APPROPRIATION - POLICY ADVICE AND MINISTERIAL SERVICES (MULTI CLASS OUTPUT APPROPRIATION)

APPROPRIATION POLICY ADVICE

This output class is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters.

OUTPUT CLASS STATEMENT

For the year ended 30 June 2014

	2012/13	2013/14		2014/15	
	Actual	Actual	Main	Supp.	Forecast*
	\$000	\$000	Estimates	Estimates	(unaudited)
			\$000	\$000	\$000
REVENUE					
Crown	4,225	4,216	4,217	4,216	4,135
Departmental	–	–	–	–	–
Other	–	–	–	–	–
Total revenue	4,225	4,216	4,217	4,216	4,135
Total expenses	3,621	3,071	4,217	4,216	4,135
Net surplus/(deficit)	604	1,145	–	–	–

*Forecast financial statements have been prepared using Budget Economic Fiscal Update (BEFU)

The total expense for this appropriation was \$3.1 million. Expenses within this output class are primarily staff related costs incurred in providing policy advice.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUALITY							
The technical quality of the Department's policy advice will be externally assessed from a representative sample by a third party assessor (measured through an annual review) (note 9)	–	–	New for 2013/14	75%	≥70%	5%	≥70%
The office of the Minister of Corrections is satisfied with the quality of the policy advice provided, including quality of the written material and quality of the advice provided (measured through an annual survey) (note 10)	–	–	New for 2013/14	100%	≥78%	22%	≥78%
COST							
Total cost per output hours of professional staff time devoted to policy advice and other policy functions (note 11)	–	–	New for 2013/14	\$98	≤\$105	(\$7)	≤\$126

Policy advice was provided across a number of issues including:

- > sentencing (Electronic Monitoring) amendment bill
- > relationship between management options for child sex offenders
- > protecting the public from serious harm from child sex offenders and other offenders
- > child protection offender register and risk management framework; and
- > alcohol and drug testing of offenders and bailees in the community.

Corrections met all the performance standards for this output with the quality of advice and Ministerial satisfaction above the performance standard.

APPROPRIATION: MINISTERIAL SERVICES

This output class is limited to the provision of responses to ministerial correspondence and parliamentary questions.

OUTPUT CLASS STATEMENT

For the year ended 30 June 2014

	2012/13	2013/14		2014/15	
	Actual	Actual	Main Estimates	Supp. Estimates	Forecast* (unaudited)
	\$000	\$000	\$000	\$000	\$000
REVENUE					
Crown	1,121	1,486	1,136	1,486	1,474
Departmental	–	–	–	–	–
Other	–	–	–	–	–
Total revenue	1,121	1,486	1,136	1,486	1,474
Total expenses	997	1,335	1,136	1,486	1,474
Net surplus/(deficit)	124	151	–	–	–

*Forecast financial statements have been prepared using Budget Economic Fiscal Update (BEFU)

The increase in the Ministerial Services budget between the Main Estimates and Supplementary Estimates of \$0.4 million reflects higher volumes of responses to ministerial correspondence and parliamentary questions. Corrections ministerial operations have been consolidated to ensure that requests received each year are being effectively managed. Corrections expects that current volumes and activity levels will continue in the foreseeable future.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUALITY							
The percentage of ministerial draft correspondence that is signed without changes	86%	97%	96%	96%	≥90%	6%	≥90%
TIMELINESS							
The percentage of all responses to parliamentary questions that are completed within five working days	100%	100%	100%	99%	≥98%	1%	≥98%
The percentage of responses to ministerial draft correspondence that are completed within 20 working days	99%	100%	100%	100%	≥98%	2%	≥98%

The number of ministerial drafts remained constant with 129 drafted (2012/13: 124) with 96 per cent completed without changes and all within the timeframe of 20 working days.

The number of parliamentary questions increased considerably to 346 (2012/13: 143) with 99 per cent of answers provided within five working days.

APPROPRIATION - CONTRACT MANAGEMENT OF SERVICES PROVIDED BY THIRD PARTIES

This appropriation is limited to preparing for and managing contracts for the provision of services provided by third parties.

OUTPUT CLASS STATEMENT

For the year ended 30 June 2014

	2012/13	2013/14		2014/15	
	Actual	Actual	Main Estimates	Supp. Estimates	Forecast* (unaudited)
	\$000	\$000	\$000	\$000	\$000
REVENUE					
Crown	4,700	2,288	1,598	2,288	1,755
Departmental	–	–	–	–	–
Other	–	–	–	–	–
Total revenue	4,700	2,288	1,598	2,288	1,755
Total expenses	4,007	1,489	1,598	2,288	1,755
Net surplus/(deficit)	693	799	–	–	–

*Forecast financial statements have been prepared using Budget Economic Fiscal Update (BEFU)

Corrections delivered its Contract Management Services at a cost of \$0.8 million less than the Supplementary Estimates. This is due to delays to the Information Communication Technology integration component of the Wiri implementation plan.

An in-principle expense transfer been approved up to \$0.5 million from 2013/14 to 2014/15 to fund project related costs that are expected to be incurred later than anticipated.

The increase between Main Estimates and Supplementary Estimates of \$0.7 million was due to project funding relating to the construction of the new prison being built at Wiri, under a Public Private Partnership arrangement.

OUTPUT: CONTRACT MANAGEMENT

This output covers the contract management of services provided by third parties to the Department.

Performance Measures	Previous Years			Current Year			Next Year
	2010/11 Actual Standard	2011/12 Actual Standard	2012/13 Actual Standard	2013/14 Actual Standard	2013/14 Budget Standard	2013/14 Variance	2014/15 Budget Standard
QUALITY							
Undertake audits of the contracts through the year, and report on the audit	–	New for 2012/13	Achieved	Achieved	Achieved	Nil	Achieved

It is important to ensure that Corrections is on track to obtain contractual outcomes by the end of a contract's life. Outsourced contracts deliver operational service improvements and support Corrections' strategic goals and direction. Monthly, quarterly and annual reviews/audits of contractors' performance are key ways of measuring whether the contractors are delivering the contract outcomes sought by Corrections.

Reviews or audits provide a view on contractors' performance against contract objectives, service outcomes and obligations or performance measures and key performance indicators.

Monthly contract reviews were completed on all major outsourced contracts and internal or external reviews/audits were completed on:

- > Serco (contract management of Mt Eden Corrections Facility)
- > Spotless (facilities management contract)
- > Optimization, HCL and Resultex consortium and Gen-I (Information Technology contract); and
- > First Security (prisoner escorting and court custodial services contract).

NOTES TO PERFORMANCE MEASURES

Note	Reference/Performance measure	Definition
1	Performance measure includes both the Department and private prison	The aggregated standard (budget and actual) includes performance results for the Department and private prisons.
2	Compliance with mandatory standards	Mandatory standards set the bottom line and the starting point for the level of service to be delivered by probation officers. Probation's purpose is to contribute to safer communities by holding offenders to account and managing them to: comply with their sentences and orders, reduce their likelihood of re-offending, and minimise their risk of harm to others. Each mandatory standard links to at least one of the three elements of probation's purpose providing a rationale for that standard. A set of definitions is provided to probation officers to ensure consistency of understanding and application.
3	The percentage of prisoners who demonstrate measurable gains with literacy and numeracy	Measures the percentage of prisoners participating in the adult literacy and numeracy classes (Pathways Education) that demonstrate improvement as measured by the providers' use of the Tertiary Education Commission Literacy and Numeracy for Adults Assessment Tool ('the TEC tool').
4	The percentage of probation reports provided to court that met mandatory standards	Probation reports are completed to formal standards as set out in the Community Probation Supported Decision Framework.
5	The percentage of reports provided to court within agreed timeframes before sentencing	Probation reports are completed to timeframes as set out in the Integrated Practice Framework. Specific timeframes are provided in respect of each of the individual report types that are included under the heading of 'probation' reports. Psychological reports are provided to court at least two working days before sentencing where a request is received.
6	The percentage of reports provided to agreed timeframes pursuant to NZPB requirements	Parole assessment reports are provided to the NZPB at least 15 working days prior to the hearing date. Parole progress reports are provided to the NZPB at least 10 working days prior to the hearing date. Psychological reports are prepared for the NZPB at least five weeks prior to the hearing date.
7	The number of justified complaints about notification services received from registered victims	The <i>Victims Rights' Act 2002</i> imposes clear obligations on specified agencies to provide information and offer assistance to victims of offences. This measure demonstrates that the Department is meeting its legislative requirements and providing victims with notification of events relating to those who offended against them.
8	The percentage of offenders who are notified as per NZPB requirements	Offenders are notified of an impending hearing no later than 14 days from the date of the hearing. Offenders are notified of a Board decision no later than 14 days following receipt of the signed decision.
9	The technical quality of Corrections' policy advice will be externally assessed from a representative sample by a third party assessor (measured through an annual review)	This indicator provides a standardised score for the policy technical quality reviews undertaken by the third party assessor, in this case, the New Zealand Institute of Economic Research.
10	The office of the Minister of Corrections is satisfied with the quality of policy advice provided, including quality of the written material and quality of the advice provided (measured through an annual review)	This indicator is a quantitative representation of the Minister of Corrections' satisfaction with the policy advice provided by the Department against the following standards: <ul style="list-style-type: none"> – completeness/alignment, timeliness, robustness, value for money, likelihood to recommend, overall satisfaction and possible improvements in the delivery of policy advice.
11	Total cost per output hours of professional staff time devoted to policy advice and other policy functions	This indicator provides the total costs of an hour of professional staff time devoted to both policy advice and other policy unit outputs. Total cost includes labour, overhead, support staff, direct costs, and outsourced work to support output production.

GLOSSARY OF TERMS

Appropriation	An appropriation is a parliamentary authorisation for the Crown or an Office of Parliament to incur expenses or capital expenditure.
Actual	For an amount, the actual incorporates the actual amount spent for the financial year.
Main Estimates	For an amount, the main estimate incorporates the amount set for spending at the start of the year.
Supp. Estimates	For an amount, the supplementary estimate incorporates the amount estimated to be spent for the rest of the year during the baseline update in March.
Forecast	For an amount, the forecast incorporates the amount that has been set for spending the coming year.
Expenses	Amounts consumed or losses of service potential or future economic benefits, other than those relating to capital withdrawals, in a financial year. [An accrual concept measured in accordance with generally accepted accounting practice.]
Outputs	Goods or services supplied by departments and other entities to external parties. Outputs are a variety of types, including policy advice, administration of contracts and grants, and the provision of specific services.
Home detention	Home detention (HD) is a sentence that requires an offender to remain at an approved residence at all times under electronic monitoring and close supervision by a probation officer. It can help offenders to maintain family/whānau relationships, keep working or actively seek work, attend training or rehabilitative programmes. Sentences may range in length from 14 days to 12 months.
Supervision	Supervision is a rehabilitative community-based sentence that requires offenders to address the causes of their offending. Offenders can be sentenced to supervision for between six months and one year.
Extended supervision	Extended supervision is aimed at managing long-term risks posed by child sex offenders in the community. An extended supervision order, imposed by the court, allows the Department to monitor child sex offenders for up to ten years.
Intensive supervision	Intensive supervision is a rehabilitative community-based sentence that requires offenders to address the causes of their offending with intensive oversight from a probation officer. Offenders can be sentenced to intensive supervision for between six months and two years.
Community work	The sentence of community work requires offenders to do unpaid work in the community for non-profit organisations as a way of making up for their offending.

Community detention sentence	Community detention (CD) is a community-based sentence that requires the offender to comply with an electronically-monitored curfew imposed by the court. Offenders can be sentenced to CD for up to six months. Curfews can total up to 84 hours per week. The minimum curfew period is two hours.
Post-release conditions	When an offender is released from prison they are required to comply with their standard and/or special conditions of release, set by the courts or NZPB dependent on sentence length.
Residential restrictions	Under the <i>Parole Act 2002</i> , the NZPB can impose special release conditions on an offender's release. One of these conditions is residential restrictions requiring the offender to remain at a specified residence at all times or at times specified by the NZPB.
National Certificate	Qualification listed on the National Qualifications Framework (NQF) administered by the New Zealand Qualification Authority (NZQA), composed of a prescribed number of unit standards and is a complete qualification.
Limited Credit Programme (LCP)	Qualification listed on the NQF administered by the NZQA, composed of a number of unit standards and is a pathway towards a National Certificate.
Modularised Training Programme (MTP)	Qualification not listed on the NQF administered by an Industry Training Organisation (ITO), composed of a number of unit standards and is a pathway towards a National Certificate.
Trade Ticket	Qualification underpinned by unit standards indicating trade currency and competency. Examples: 4711 Welding Ticket or Electrical Limited Regulation Ticket.
Driver licence	Qualifications composed of unit standards authorising individuals to drive prescribed types of vehicles.
Health and Safety	Qualifications sanctioned by ITOs, underpinned by or containing unit standards. Examples are: First Aid, Grow Safe and Site Safe.
Internal services employment activity	Internal services activities include asset maintenance, catering, distribution of goods, grounds maintenance, laundry, manufacturing and sundry services.
Primary employment activity	Primary activities include farming, dairy and horticulture.
Timber employment activity	Timber activities include building refurbishment, forestry, joinery, milling, and timber processing.

