

PART A:

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THE YEAR AT A GLANCE

IN 2011/12 THE DEPARTMENT OF CORRECTIONS:

Reduced re-offending

- > increased the availability of drug and alcohol treatment in prison
- > increased participation in employment related activities that provide recognised qualifications
- > opened Whare Oranga Ake, kaupapa reintegration units based in Spring Hill and Hawke's Bay
- > evaluated current rehabilitative interventions, identifying those that should be expanded
- > improved the quality of existing rehabilitation programmes in prisons and the community
- > changed the way we work with offenders to encourage and motivate them to address their offending behaviours
- > introduced a screening tool to assess the mental health of prisoners as they arrive at prison
- > supported more Work and Income case managers in prisons to assist prisoners to find jobs on release.

Improved public safety

- > completed the introduction of our new approach to managing community-based sentences and orders, meaning the time and efforts of probation officers are now better targeted to offenders that pose the highest risks to others
- > introduced new ways of managing high risk of harm offenders in the community through our National Office, and through GPS technology
- > introduced smoke-free prisons without significant incident, which is a world first
- > worked with the Ministry of Justice to progress legislation to introduce Public Protection Orders. This will ultimately see those offenders at the highest risk of sexual or violent re-offending securely managed beyond the expiration of their sentence
- > completed the security review, which will ensure a consistent set of security regimes across the prison network
- > approved the use of pepper spray in prisons, and examined other ways to improve staff safety based on international practice.

Better public value

- > completed an Expenditure Review, identifying savings which will allow us to meet major cost pressures and Crown dividend commitments
- > developed an action plan to reinvest \$65 million worth of these cost savings in rehabilitation and reintegration initiatives over the next four years
- > identified \$87 million of savings to contribute to the Justice Sector Fund for Better Public Services initiatives
- > modernised the way we work and embraced new technology
- > driven for more results from offender focused contracts, and encouraged service providers to learn from one another to improve outcomes for offenders
- > explored shared opportunities with our justice sector partners for cost savings related to staff training, use of facilities and fleet management.

Our staff and our performance

- > identified structural changes that will strengthen regional management and better support frontline staff to achieve more with offenders
- > initiated leadership programmes for our emerging leaders and our staff who show leadership in working with Māori
- > introduced 'Make a Difference' awards to recognise the excellent performance of our staff
- > supported our staff in Christchurch with a staff welfare officer
- > prioritised the integrity of our workforce
- > began wearing more professional blue uniforms in our prisons, which are more practical for day-to-day wear
- > undertook a Performance Improvement Framework review, which provided positive results
- > worked with Serco to improve their performance, with stable or improved results across nearly all measures.

RE-OFFENDING IS REDUCED



Cutting the rates of re-offending adds significantly to the social well-being of our communities. This is our ultimate goal.

The greatest contribution we can make to society is to reduce re-offending. Breaking the cycle of crime results in fewer victims and safer communities.

Offenders come to us with a wide range of issues. To reduce overall crime in New Zealand, Corrections works with offenders to provide them with skills and support to better enable them to lead law-abiding lives. We have placed offenders at the centre of our efforts to achieve better outcomes and strived to ensure every prisoner has the opportunity to have a job on release.

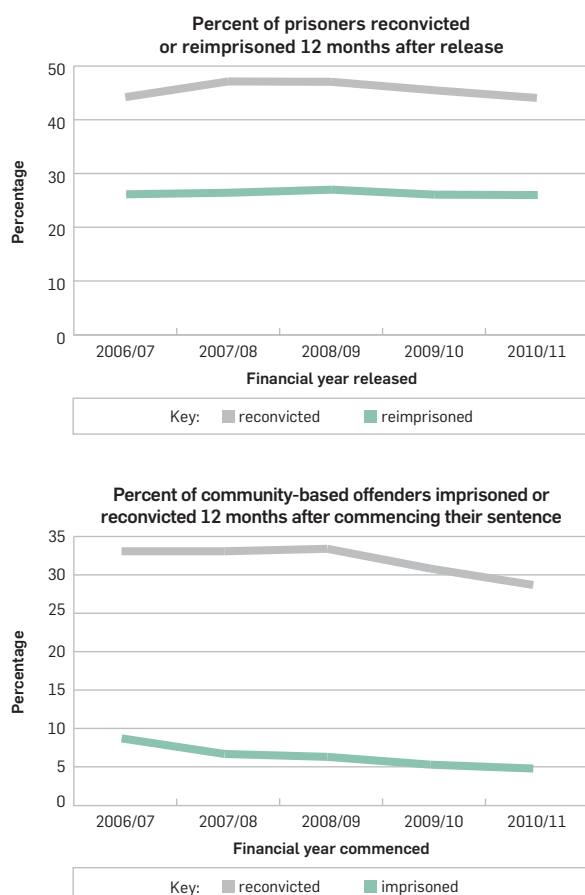
We know that offenders are less likely to re-offend if they undertake rehabilitation which helps them to address behaviours which contributed to their offending, and if they gain employment-relevant skills, qualifications and experiences that lead to sustainable employment on release.

In order to gain these skills they need their health and well-being to be maintained and they need to be managed fairly and decently. To make the most of the opportunities provided they require support to successfully reintegrate back into their communities.

Working with other parts of the public sector and with communities and other organisations is the most effective way to reduce re-offending. Corrections is leading across the wider justice, social and community sectors to ensure that offenders are connected with services that support them to live offence-free lives.

This year, community sentence reconviction rates have fallen to 28.4 percent. Levels of prisoner reimprisonment also reduced slightly, to 27 percent

There has been a continued fall in the rate of reconviction amongst offenders who commenced a community-based sentence, and a slight but continuing downward trend in reimprisonments for offenders released from prison.

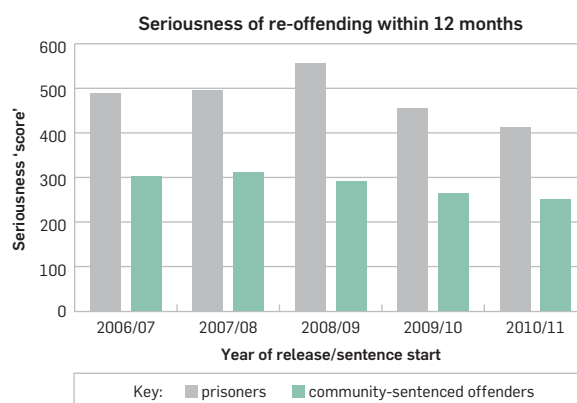


We are reducing the seriousness of offending amongst those who are reconvicted

This is the first year we have been able to measure the overall seriousness of the offences for which offenders are reconvicted. The graph below clearly indicates that average seriousness of re-offending has fallen in the last two years, for both released prisoners as well as those on community sentences.

The seriousness measure is derived from the Ministry of Justice's Seriousness of Offences Scale¹, which assigns a numeric score to every criminal offence. To illustrate, at the upper end of the scale, murder has a seriousness score of 10,000; at the other end, a minor theft offence has a seriousness score of 70.

This means that in addition to fewer offenders re-offending, overall the seriousness of re-offending is reducing.



¹ For more details, search <http://www.justice.govt.nz/>

OFFENDERS HAVE THE SKILLS AND SUPPORT TO LEAD LAW-ABIDING LIVES

The past twelve months have seen the focus on providing effective rehabilitation programmes increase even further. We have strengthened existing interventions, and provided more opportunities for prisoners and community-based offenders to participate in activities that support their rehabilitation.

We have supported our focus on addressing offenders' needs by embedding a new case management system in our prisons. Case managers work with sentenced prisoners on developing a plan to address their rehabilitation and reintegration needs during their time in prison. This approach helps ensure that the right people are undertaking the right interventions at the right time. During the 2011/12 year, all offender plans of sentenced prisoners were transferred to our 227 case managers.

The 'active management' approach is a key part of reducing re-offending that has been embedded this year. This means that all our frontline staff see engagement with offenders as opportunities to build a rapport and motivate them to change their behaviours, and to take an active interest in their success.

We are expanding our most effective rehabilitation programmes for offenders in the community

Increased places have been made available on existing medium-intensity rehabilitation programmes, and more programmes to be delivered in the community are under development. There is a particular focus on youth offenders and violent offenders.

In February this year, we began delivering the prison-based Kowhiritanga programme in the community. This medium intensity rehabilitation programme for women has been adapted to meet the needs of female offenders in the community. It is being delivered in conjunction with Waipareira Trust, who are providing childcare so mothers can engage in the programme.

We are working with the Ministry of Health to expand the range of alcohol and drug programmes available to offenders in the community. In March 2012, Cabinet agreed the Vote appropriations of \$10 million per annum for the Drivers of Crime package for alcohol and other drug treatment. Work has recently been completed with the Ministry of Health to identify the areas of the country with the greatest need, and the best mix of interventions required in each area.

Our rehabilitation programmes are effective in reducing re-offending

Prisoner interventions	Reimprisonment (12 month follow up)	Reimprisonment (24 month follow up)
Special Treatment Unit (sex offenders)	-3.70	-10.00
Special Treatment Unit rehabilitation programme	-2.50	-3.60
Drug Treatment Units	-6.40	-5.00
Medium-intensity programme	0	-3.20
Short rehabilitation/ motivational programmes	-7.00	-11.10
Corrections Inmate Employment	-3.10	-0.30
Trade and Technical Training	-7.70	na
Release to Work	-8.10	na
Community-based interventions	Reconviction (12 month follow up)	Reconviction (24 month follow up)
Medium-intensity programme	-5.80	-7.00

Figures represent percentage-point changes in rates of either reimprisonment or reconviction between "treated" and "untreated" offender groups. For example, a reimprisonment score of -10.00 indicates a ten percentage point reduction between treated and untreated groups (for example, where the rate of reimprisonment amongst untreated offenders was 35% and the corresponding rate for the programme's "graduates" was 25%).

These figures indicate that participation in rehabilitative activities generally has a positive impact on re-offending. The Department's main offence focused programmes – the medium intensity programme, Special Treatment Unit rehabilitation programmes, and the Drug Treatment Units, continue to produce positive outcomes.

Although this year's figures are somewhat modest, this may in part reflect the overall reductions seen in rates of reimprisonment. This year is the second in which we have reported results for Corrections Inmate Employment and those results continue to be positive.

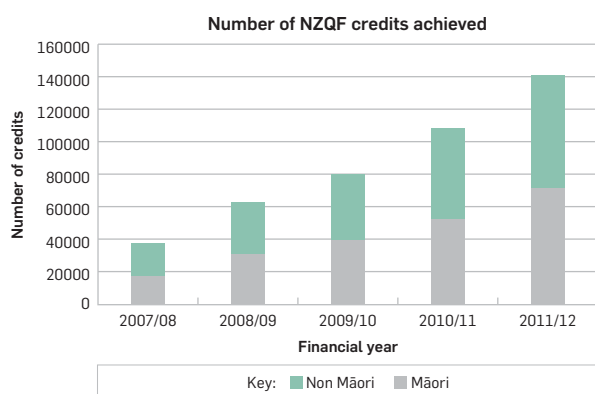
We are building on the success of these programmes, expanding the range and availability of the rehabilitation and reintegration opportunities that we offer.

Places available in Drug Treatment Units will have increased to over 1,000 each year by 2013. This year we opened a new Drug Treatment Unit within the Māori Focus Unit of Whanganui Prison. This new unit increases the availability of drug and alcohol assistance to short serving prisoners, and specifically allows prisoners in the Māori Focus Unit to more easily access the programme.

89 percent of the 2,363 prisoners on a literacy and numeracy course demonstrated an improvement in their skills

We are piloting new programmes to improve the literacy and numeracy of prisoners on remand. The 'Short Gains' programme is being piloted in Christchurch, Waikeria and Auckland Women's, equipping prisoners with essential numeracy, reading and writing skills. A 'Work Ready' programme, also aimed at remand prisoners, is being piloted in Hawke's Bay. This programme adopts a similar approach, but provides preparation for work, and includes modules on workplace literacy, numeracy, communication and computer skills.

We supported prisoners to achieve 140,599 NZQF credits



This is a 30 percent increase on the 108,080 credits achieved in 2010/11. This has contributed to prisoners obtaining 3,145 qualifications.

Corrections Inmate Employment (CIE) provides valuable opportunities for prisoners to gain qualifications and work experience.

Open days have been held at several prisons throughout the year, inviting industry leaders, local employers and the general community to observe prisoners participating in training and work experience activities such as catering, joinery and other trades. This also provides an opportunity to introduce prisoners to potential employers. Several new contracts have been established as a result.

A prison sentence at Northland Region Corrections Facility has provided valuable opportunities for an ambitious Whangarei man. During his sentence, he studied for and obtained the level 2 National Certificate in Horticulture, and has gone on to become a successfully self-employed general gardener, lawn care operator and bee-keeper.

Three new trade and technical training workshops opened at Christchurch Men's Prison in November 2011. CIE runs the workshops in conjunction with Christchurch Polytechnic Institute of Technology to train prisoners for the rebuild of Christchurch. Prisoners are working towards Level 2 National Certificates in Painting and Decorating, Plumbing, Roofing and Drainlaying; with the option of further training up to Level 4.

Māori continue to represent around half of the offenders we work with, and our partnerships with iwi and Māori communities are key to helping us reduce re-offending.

Our rehabilitation and reintegration programmes are designed to meet the needs of offenders from all cultural backgrounds. In addition to these programmes, we run Māori Focus Units, which allow prisoners to live in a separate unit with a strong focus on tikanga and te reo Māori. The Māori Therapeutic Programme, running through our Māori Focus Units, has been redesigned, and we have developed more effective entry and exit criteria for these units to better facilitate a therapeutic environment.

A key part of reducing re-offending is supporting prisoners to successfully reintegrate with their families, community, and other support networks. We work in partnership with community groups to support released prisoners with their accommodation, financial and social needs.

In July 2011, in partnership with Māori community groups, we opened Whare Oranga Ake units at Hawke's Bay Regional Prison and Spring Hill Corrections Facility. The two 16-bed units are located outside the prison's perimeter fence and signal a new approach to reintegration.

Whare Oranga Ake helps prisoners train for employment, find work, find accommodation on release, and form supportive pro-social networks with iwi, hapū and community organisations. Prisoners live communally within the Whare, and take on all the responsibilities of daily living, including cooking and cleaning. Māori community service providers lead and run the Whare on a day-to-day basis.

47 percent of prisoners on Release to Work maintained their job after release

This figure has been steadily increasing since 2009/10, when 37 percent of participants in Release to Work were offered jobs with their release to work employer.

This year we have dedicated a number of case managers towards increasing participation in Release to Work programmes. These programmes give prisoners with the appropriate security level the opportunity to work outside the wire in jobs that may provide employment on their release from prison.

The Department has partnered with agencies and community groups to better meet the employment needs of offenders. The Department is working with Work and Income to support prisoners to find work opportunities prior to their release from prison. There are Work and Income case managers in three prisons and plans are underway to roll this out to all prisons in the near future.

OFFENDER'S HEALTH AND WELL-BEING IS MAINTAINED

The health and well-being of prisoners is a key concern for us. Prisoners need to be healthy, and have their mental and physical well-being attended to, in order to fully take advantage of rehabilitation programmes and create lasting change in their lives.

In the past year, we have increased the number of pay phones in our prisons, and reduced the costs of phone calls, meaning that prisoners have more opportunities to contact their families and others for support. We have also worked with Lifeline Aotearoa to complete plans for a pilot to provide outside support to prisoners. From September 2012 prisoners at Northland Region Corrections Facility will be able to phone Lifeline Aotearoa Prison Helpline and speak to a trained third-party if they need support.

All New Zealand prisons are now smoke-free

After a period of support for both prisoners and staff to quit smoking, all of our prisons became smoke-free on 1 July 2011. This has greatly contributed to improved air quality for both prisoners and staff, and has reduced the level of fire related incidents.

We were proud to receive a Public Sector Excellence Award from the Institute of Public Administration of New Zealand (IPANZ) in the category of "Public Sector Communications" for our smoke-free prisons.



Smoke-free prisons: one year on

Since the introduction of smoke-free prisons on 1 July 2011, we have seen:

- > A rapid and substantial improvement in indoor air quality, with a study at Auckland Prison finding a 57 percent decline in 'indoor fine-particulate concentrations' after the policy was implemented. The report concluded "that a significant health hazard has been reduced for staff and prisoners alike".
- > Fewer opportunities for prisoners to use lighters to melt plastic into dangerous weapons.
- > A 72 percent reduction in fire-related incidents, down from 76 in the year before the ban, to 21 in the year following the ban.
- > No serious incidents or breaches of security during implementation, and no contingency plans being activated.
- > Significant and ongoing decline in the number of smoking related contraband. There were 1,337 finds of tobacco and smoking equipment, including matches and lighters, in the first six months of the policy, falling to 1,107 finds in the second six months of the year.
- > Staff generally appreciating the benefits of working within a smoke-free environment, with many reported having given up or reduced their smoking.
- > Reported benefits among prisoners including improvements in their health, reduced expenditure and pressure on families, improved self-confidence, and stated intention to remain smoke-free after release.

Unfortunately, this year, we have had five unnatural deaths in custody and six self-harm incidents that posed a threat to life

Financial Year	Unnatural Deaths	Self-harm threat to life incidents
07/08	5	31
08/09	5	33
09/10	6	31
10/11	12	23
11/12	5	6

Preventing unnatural deaths and life threatening incidents of self-harm in prison will always be a priority for us. This year we have reduced opportunities for self-harm by replacing ventilation grilles in our at risk units and introducing new clothing for prisoners considered to be at risk of suicide.

The increasing number of prisoners who present with mental health concerns has been an area of focus for us over the past twelve months. We implemented a Mental Health Screening Tool in our men's prisons in June 2012. When prisoners arrive at our prisons, their mental health needs are assessed. Support for vulnerable prisoners in mainstream units has been increased through the introduction of mental health in-reach services and welfare checks for those who require additional support.



The Care, Support and Integration unit at Mt Eden Corrections Facility has had immense success in reducing self-harm.

One particular success story is a prisoner who is well-known throughout New Zealand prisons and to Accident and Emergency departments as he has been a chronic self-harmer for many years and as a result has permanent organ damage.

"He has been resident with us for some months now and is settled, enthusiastic and has not attempted to self-harm once. Furthermore, he continues to strongly state that he has no intention to do so. It's evidence to us that the therapeutic model really works", says a psychiatric nurse.

We are learning from the new ideas Serco brings to the prison system in their management of a largely remand population. Serco have only one recorded incident of self-harm that posed a threat to life. This is significant as initial reception into prison can be a stressful time, and remand prisoners tend to have higher rates of self-harm.

The Care, Support and Integration unit at Mt Eden Corrections Facility offers an integrated and tailored form of care for vulnerable prisoners. A therapeutic environment and individualised treatment helps prisoners deal with learning, physical disabilities and/or mental health issues.

Custodial officers, health specialists and programme team members are all co-located within the unit, so that programmes, activities and interventions are all delivered on site. This allows vulnerable prisoners to actively participate in prison life during the treatment stage.

Numbers of justified complaints to the Corrections Inspector have declined

In 2011/12, we received 48 justified complaints, down from 70 in 2010/11. The greatest number of justified complaints relate to prisoner property, and none related to health services. This year we have worked to address this issue by completing the Management of Prisoner Property project. This project investigated the root causes of issues and complaints in relation to prisoner property and has resulted in a series of practical solutions which will be implemented during the next financial year.

This year, five health centres within our prisons received Cornerstone accreditation

Achieving 'Cornerstone' accreditation by the Royal New Zealand College of General Practitioners shows that we have met (or exceeded) the benchmark for over 30 standards in healthcare. This means that health services in prisons are providing a level of care equal to that of other primary health care practices in New Zealand. By 30 June 2014, it is anticipated that all 16 of the health centres within our prisons will have achieved accreditation.

We have focused on improving the health and well-being of Māori offenders

A number of the indicators for Cornerstone accreditation require evidence that the health needs of the Māori population are being addressed. All health centres either have or are developing a Māori Health Plan, and staff are trained in the application of Te Tiriti o Waitangi to health service delivery. Health services policies also recognise the higher health needs of Māori prisoners, for example including Māori aged over 35 as a target group for screening for cardio-vascular risk.

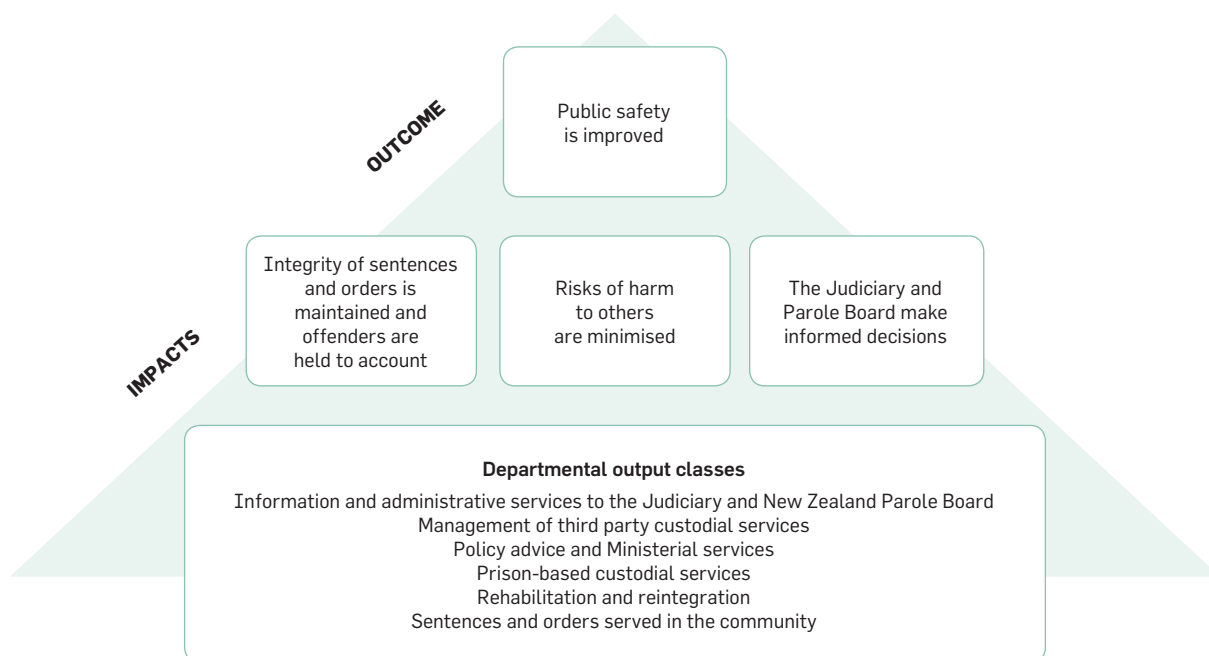


This year we opened two new Mothers and Babies units in Christchurch and Auckland. These units allow babies to stay with their mothers up until they are 24 months old. They give mothers and babies the chance to bond in a safe and supportive environment.

We are establishing a High Dependency Unit at Rimutaka Prison

To better deliver services to offenders with complex health needs, we are working with the Ministry of Health and the Hutt Valley District Health Board to establish a High Dependency Unit at Rimutaka Prison. Many of these prisoners would require residential care if being managed in the community. The unit will enable prison staff and health providers to provide additional support to prisoners who have ongoing and complex health or disability needs as a result of ageing or other medical conditions. The unit will provide a safe and secure environment where prisoners can be supported to maintain their level of health, and be effectively supported in their transition out of prison if they are released, or to age with dignity within the prison.

PUBLIC SAFETY IS IMPROVED



Keeping communities safe by ensuring offenders complete the sentences and orders handed down by our justice system. This will always be our bottom line.

Our primary role in the justice sector is to ensure that we manage offenders in a way that keeps the public safe. This means that offenders comply with the conditions of the sentences and orders that are handed down by the courts, and that they are held to account for breaching any conditions. It also means that the prison environment is safe and secure for prisoners, staff, prison visitors and the general public; and that offenders managed in the community are managed in a way that best keeps the public safe.

The other aspect of maintaining public safety is ensuring that the Judiciary and New Zealand Parole Board are able to make informed decisions. We provide them with good quality information about offenders, their progress and the risk they pose to the wider New Zealand public.

We measure our success against this outcome in two ways. This year 97 percent of offenders complied with their sentences or orders or were held to account for breaching conditions. This is a new measure for 2011/12. 99.77 percent of prisoners were released on their lawful release date. This figure has remained above 99.75 percent for the past five years.

THE INTEGRITY OF SENTENCES AND ORDERS IS MAINTAINED AND OFFENDERS ARE HELD TO ACCOUNT

We improve public safety by ensuring that offenders comply with their sentences and orders, and holding them to account if they fail to meet the imposed requirements. This means that prisoners are held securely in our facilities and that we prevent contraband such as drugs and cell phones entering our prisons. It also means that offenders in the community comply with the conditions of their sentences and orders, or face appropriate action if they do not.

In the past year, we have made changes to ensure that we are doing more to make sure these things happen. We have taken further steps to improve the security of our prisons and made significant changes to the way we work with offenders in the community.

97 percent of offenders have complied with their sentences and orders, or been held to account

This is the first year that we have measured the level of compliance with sentences and orders. The strong performance against this measure tells us our staff support offenders to comply with and finish their sentences and orders, and are vigilant in following up instances where offenders have failed to comply with their conditions.

In 2009 we embarked on a change programme to refocus our efforts in working with offenders in the community. This was completed in March 2012. It ensures that our staff have better support to focus their time and energy on those offenders at high risk, and to make better decisions about what each offender requires.

We have this year trialled new ways of using technology to help us manage some of our highest risk offenders. Currently, a number of offenders are monitored electronically as a condition of their sentence or order. This monitoring means that staff are alerted when offenders leave an approved location, but does not provide information on where they are. New GPS technology has been trialled, which allows us to better monitor the whereabouts of high risk offenders, and locate them more easily if they attempt to breach their sentence or order.

This year, three people have escaped from prison



Levels of escape from prison have remained relatively consistent over the past five years. This year, three remand prisoners escaped from prison. One of these incidents was from Mt Eden Corrections Facility, and two were from Waikeria Prison.

The public is concerned when they learn that a prisoner has escaped. We are too, and to further minimise escapes we have conducted a thorough review of our prisons, identifying where we can improve security, or better match the security level of a prison to the needs of the prisoners.

Upgrading some prison units, and closing some of our oldest prisons and units will allow us to concentrate on running a modern prison system with high quality security systems and a focus on rehabilitation.

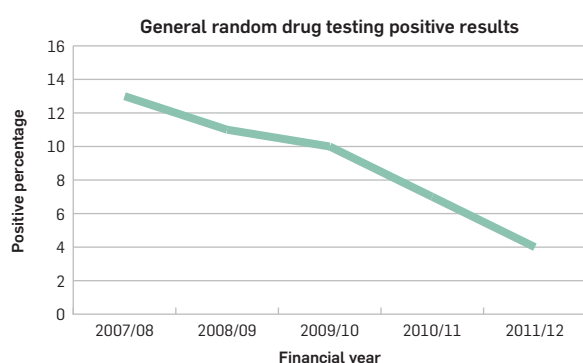
Financial Year	From escort	Breach of temporary release	Abscond
07/08	3	13	3
08/09	2	1	6
09/10	1	3	2
10/11	2	0	0
11/12	5	0	2

In addition to breakouts from prison, there have been five instances where a sentenced prisoner or a person on remand escaped from secure escort, including from court cells. We have increased the use of audio visual links between courts and prisons, meaning that prisoners are able to 'virtually' attend court hearings without leaving prison. As use of this technology becomes more widespread, fewer prisoners will need to be transported to and from court to attend their hearings. This is more cost efficient and improves public safety by minimising opportunities to escape from escort.

There are also instances where prisoners, considered at low risk of re-offending and at low risk of causing harm to others, are allowed to work in the community or to attend a funeral or other important event. On occasions these prisoners do not return when they are expected to, or walk away from their place of employment. We have had two incidents of prisoners absconding in 2011/12. We are currently exploring the use of electronic monitoring for prisoners undertaking employment activities outside prison as a way to reduce incidents of absconding.

The Department treats all escapes from custody seriously and every escape is fully investigated to identify any improvements to procedures or facilities that would reduce the likelihood of further escapes.

Levels of positive random drug tests have continued to decline



Over the past five years, levels of positive random drug tests have decreased dramatically as we have grown ever more successful at keeping contraband out of our prisons. This year, we have reached our lowest ever rate of positive random drug tests.

Keeping drugs out of our prisons remains a focus, and we have continued to increase the number of staff with drug dogs working at the gates and entrances to our prisons.

This year we have progressed legislation to manage the increasing number of prisoners who choose to 'waterload' before a drug test. Some prisoners consume large quantities of water immediately before a test in order to dilute their sample. These results are not currently counted as positive. If diluted samples are counted as positive results in future, we anticipate that a slight rise may be seen in the level of positive results to general random drug tests.

On 22 March 2012, three Corrections drug dog handlers and their dogs graduated from the New Zealand Police Dog Training Centre in Trentham, at a ceremony attended by Corrections and Police Minister, The Hon Anne Tolley.

The graduation ceremony was the culmination of an intensive nine-week course for both dogs and handlers. During the course dogs are taught to recognise and find the scent of narcotics such as methamphetamine, cannabis, cocaine and heroin.

The three handlers and their dogs, Aysa, Orla and Ben, bring Corrections' team of drug dog handlers to 15. This increase in capacity and capability will ensure the Department can meet further demand and continue to work alongside other government agencies such as NZ Police in combating the use of drugs.

The use of drug dogs plays a key role in reducing re-offending. Many prisoners enter prison with drug and alcohol addictions and these are barriers to offenders living offence-free lives. Reducing the availability of drugs inside prison, together with initiatives such as Drug Treatment Units, means offenders have a better chance at rehabilitation.

RISKS OF HARM TO OTHERS ARE MINIMISED

We manage offenders in the community in ways that keep the public safe. To do this, we regularly assess offenders to determine whether they pose a potential risk of harm to other persons. If their risk of harm to others is assessed as "high", more intensive forms of management are initiated in order to reduce the level of risk.

This year, we have established a unit in our National Office dedicated to managing some of our highest risk offenders in the community, who are supervised using electronic monitoring. Centralising the administration of electronically monitored offenders ensured greater consistency in sentence management, and also yielded efficiency savings.

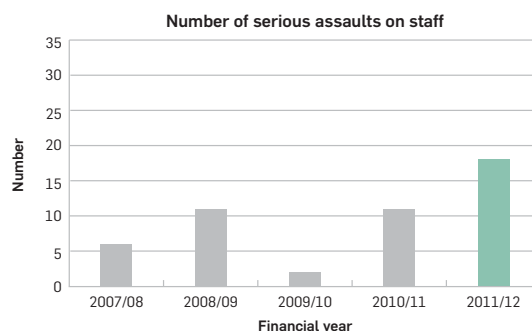
We have worked with the Ministry of Justice to progress legislation to introduce Public Protection Orders. This will ultimately see those offenders at the highest risk of sexual or violent re-offending securely managed beyond the expiration of their sentence.

The numbers of assaults on staff and prisoners remain a concern

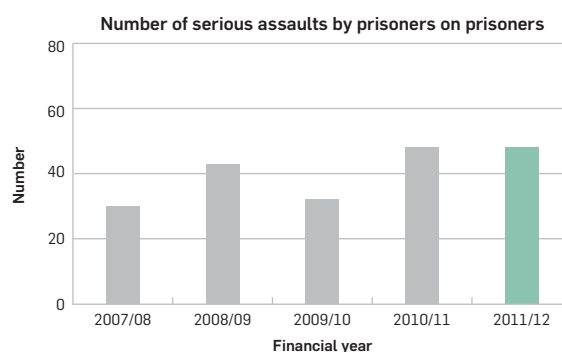
We aim to run prisons that are safe for prisoners, staff, visitors and the general public. Despite our best efforts, prisons can be volatile environments at times, and the risk of violence is always present. Some prisoners have long histories of antisocial behaviour and resort to violence with little warning.

We thoroughly investigate every serious assault that takes place in our prisons. Preventing assaults on our staff, and on other prisoners, has been, and continues to be, a key focus for the Department.

This year there have been 18 serious assaults on staff, an increase on the 11 that took place in 2010/11. Incidents of serious assaults have fluctuated greatly throughout the year, with half of these assaults taking place in May and June 2012. In July 2012, only one assault resulting in serious injury occurred.



Levels of serious assaults on prisoners by prisoners have remained constant with last year. In both 2010/11 and 2011/12, there were 48 prisoners seriously assaulted by other prisoners.



Serious injuries resulting from assaults are rare occurrences in our prisons, and they are something we treat very seriously. We equip our staff as best we can both to avoid these incidents taking place and to minimise the risk of harm when an incident does take place.

Based on discussions with staff who have been the victims of assault, we determined a number of initiatives that will help prevent these types of incidents in the future.

One of the new initiatives for improving staff safety is providing further training called Tactical Exit, which will help staff deal with situations with prisoners that have gone beyond a verbal resolution. This draws on existing tactical communications training, for which corrections officers are skills checked every two years. Extending this training to increase behavioural and situational awareness will be of benefit. The training will increase familiarity of delay, de-escalation and disengage tactics.

Following a successful trial, the use of pepper spray in prisons was approved, and will be implemented in the coming year. We are also examining other tools that are available to corrections officers internationally that could be introduced in New Zealand.

Two Principal Custodial Advisor positions reporting to the Chief Custodial Officer have been created to focus on improving staff safety in prisons.



For Chief Executive Ray Smith one serious assault on a staff member is one too many. After two particularly nasty incidents at Hawke's Bay and Waikeria prisons in 2011, Ray instigated a meeting in October with those assaulted, to develop practical responses to strengthen staff safety.

Ray said it was an emotional session with the officers able to share their horrific stories with others who had experienced a similar attack. "I asked them, 'what would help you now and to prevent this in the future?'"

Eleven staff from around the country attended a second half-day session in May to review progress and hear from senior managers what new initiatives were planned or established.

"I was happy to see at the May workshop that the officers seemed to be in a much better space emotionally. I hope that the mere fact of coming together, and the ongoing support since their assaults, has been positive for them", says Ray.

Thanks to the willingness of these staff to share their experiences, a number of new initiatives designed to keep our staff safe have been identified.

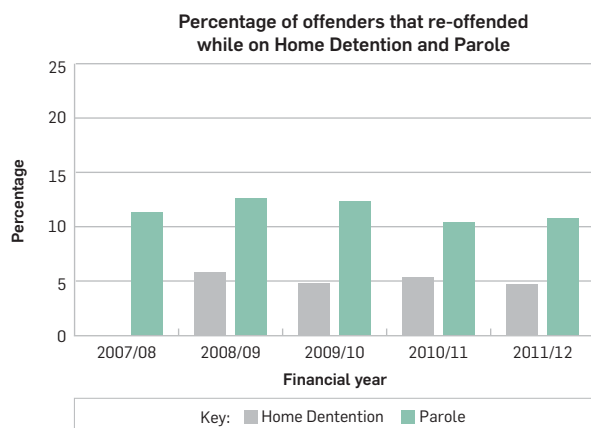
THE JUDICIARY AND PAROLE BOARD MAKE INFORMED DECISIONS

A key part of keeping the New Zealand public safe is assisting the Judiciary and Parole Board to make well informed decisions about how they deal with the offenders we manage.

Good quality information to the Judiciary and the New Zealand Parole Board ensures that offenders sentenced to home detention, or released on parole, have low rates of re-offending

We provide the Judiciary and the Parole Board with information about offenders' level of risk to inform their decision making. This applies both to Judicial decisions to sentence an offender to Home Detention, and Parole Board decisions to release prisoners on parole.

A new recidivism-based measure, reported for the first time this year, captures re-offending committed while serving a Home Detention sentence, or during the period of a parole order.



This graph indicates that re-offending by Home Detainees during their sentences has remained at very low levels over the last four years. Re-offending by offenders on parole has also fallen slightly.²

We have improved the timeliness and quality of reports to the Judiciary and Parole Board

We provide the Parole Board with parole assessment reports that assist them to make decisions on offenders' possible release from prison. This year, 100 percent of these reports met the agreed quality standards, and 85 percent were provided within the agreed timeframes, up from 75 percent in 2010/11.

Parole progress reports, which provide the Parole Board with information on offenders' compliance with their release conditions, met the agreed quality standards 99 percent of the time and that agreed timeliness standards 97 percent of the time, an improvement on last years' performance.

As part of the overall change programme for the management of community-based sentences and orders, we have revamped the pre-sentence advice that probation officers provide to the courts to support sentencing. This was first implemented in Wellington and Hamilton, and then rolled out to the rest of the country.

This signifies a fundamental redesign to the way pre-sentence advice is provided to the Judiciary. Probation officers writing pre-sentence reports undertake more robust assessments of compliance, likelihood of re-offending and risk of harm to support appropriate recommendations to the court. There is a greater emphasis on public safety and a strong focus on engagement with the offender and their whānau from first contact. The new reports are designed to be flexible enough to better meet the needs of the courts and justice sector, now and in the future.

"The Judiciary have been welcoming of the new approach and we've received many favourable comments from the bench about the more targeted nature of the new reports, which is great. Many Judges have also welcomed the ability to have reports completed on the day the report is ordered, where appropriate. This means the same Judge can sentence the offender which reduces delays in the court process and ensures the offender begins any treatment that is ordered more quickly."

- Project Lead Jon Burke

Together with the Ministry of Justice, we have continued to develop legislative amendments to reduce unnecessary parole hearings. The amendments will provide the Parole Board with greater flexibility to set parole hearings to better align with offender plan milestones, and will reduce stress for victims of crime as hearings will be set at longer intervals in some cases.

² Home Detention was introduced as a sentence in November 2007, therefore full year data is not available for the 07/08 year.

BETTER PUBLIC VALUE

Over the past twelve months, Corrections has conducted a thorough review of operations and related expenditure. This review resulted in recommendations that cover all aspects of our business and services and identified smarter ways of working. Implementation of the recommendations will fundamentally transform the Department's business model and operations to ensure it can contribute to a modern, more effective and more sustainable justice sector.

The efficiency savings produced by the Expenditure Review will be used by the Department to:

- > meet major cost pressures and Crown dividend commitments
- > reinvest \$65 million into a comprehensive package of services to reduce re-offending over the next four years
- > provide for the \$87 million to the Justice Sector Fund for Better Public Services initiatives.



Key changes we are implementing as a result of the Expenditure Review:

Enhanced efficiency

- > improvements to policy settings
- > better configuration of our prison assets
- > the realisation of corporate efficiencies

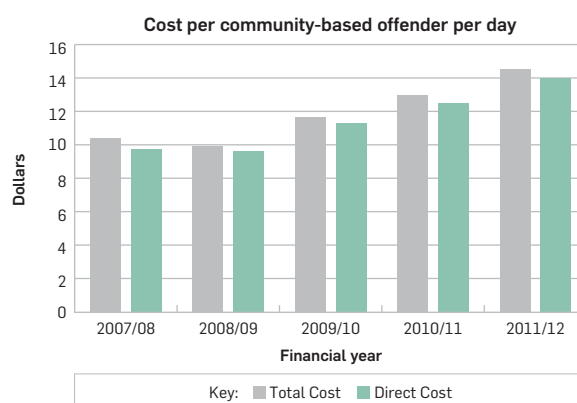
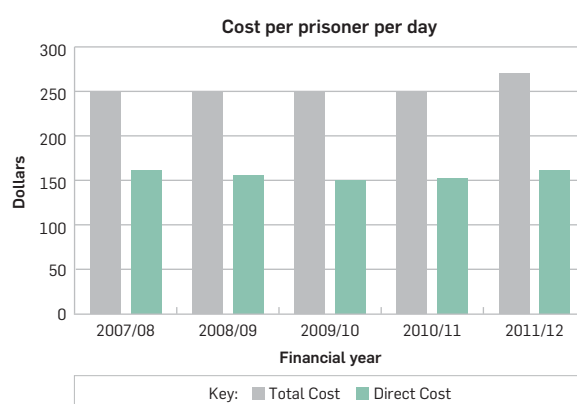
Performance Improvement

- > investment in activities that best reduce re-offending
- > creating a new structure to support frontline staff
- > improvements to security in prisons

Modernisation

- > new innovations in our prisons
- > more audio visual links with courts
- > new technology in our work with community-based offenders.

A key recommendation of this review was a new structure for Corrections, which has recently been implemented. This new structure will see Corrections staff unify their efforts in working with offenders, encouraging them to work more effectively with each other, and with their partners in the public, non-government and private sectors, to drive a reduction in re-offending. It will better enable local approaches to be taken to local problems, and will more efficiently align back office structures to support the delivery of frontline services.



The average cost per prisoner and offender is calculated by dividing the total relevant costs by the number of prisoners and offenders. The increase in average costs over the past year is largely due to the increase in the capital charge and depreciation costs, reflecting a revaluation of the Department's assets and an increase in the capital charge rate. In addition, the reduction in the numbers of prisoners and offenders has also increased the average cost.

Contract management

Corrections has continued to work with Serco to improve performance at Mt Eden Corrections Facility. Performance has generally improved across the board, as Serco has become more familiar with the legislative climate and requirements of the New Zealand environment. They have introduced a number of initiatives which we are considering implementing at other prisons. The Department will remain vigilant in its management of Serco's performance and will continue to expect a high standard of service delivery.

In March 2012, Cabinet approved SecureFuture as the preferred bidder to build a new prison at Wiri through a public private partnership. We have been consulting with tangata whenua and other community groups about the establishment of the prison, which will include flexibility to alter the security of individual units to meet the needs of the prisoner population, and a reintegration hub outside the wire.

Corrections outsources a number of services, such as information technology and facilities management. Contracts with these service providers include clauses requiring them to continuously seek better and more efficient ways of working, and identifying areas where efficiencies could be made. Outsourcing partners such as Gen-i and Spotless regularly engage with us on opportunities for improvement.

In respect of provision of services to offenders, we contract with a number of community and private providers to deliver services to address offenders' rehabilitative and reintegrative needs.

We continue to work with these contract providers to ensure that they share experiences with each other and adopt best practice methods, learning from the most effective interventions. This form of partnership arrangement is more likely to secure effective outcomes with offenders.

Capital and asset management

We manage \$2.5 billion of assets. The vast majority of these, \$2 billion, are land and buildings used for the provision of our services. We currently own 19 prisons, which range in age from New Plymouth Prison, built in 1861, to the contract-managed Mt Eden Corrections Facility, completed in 2011.

Some of these prisons have reached the end of their economic life, being too expensive to refurbish to a standard that will safely and humanely house prisoners and effectively rehabilitate and reintegrate prisoners into the community. One of the recommendations from the Expenditure Review has resulted in Corrections reconfiguring the prison system. After consultation with staff, we announced the closure of some prisons and units, and the refurbishment of others. This will reduce the operating expenses by \$20–\$25 million.

We have begun redesigning our service delivery spaces in the community, agreeing on a design for Corrections Hubs which will provide more opportunities for our staff to work collaboratively with other agencies to better meet the needs of offenders. Service centres that have required refurbishment in the past year have included some revised design aspects, including more open reception areas to encourage positive interactions with offenders, and CCTV cameras to increase security.

We are embracing new technology to help us operate more efficiently

Our information technology capability is central to the modernisation of our services. This year we have made enhancements to our existing structures, and have trialled new technology to help us better equip ourselves for the future.

We have focused on how new technology can help us be more mobile and safe while working in the community by testing a range of personal safety devices during different types of 'out of office' work.

We have trialled a number of telecommunication options to increase efficiency. This included providing offenders with direct access to probation staff via a linked telephone in court houses and notifying other offenders of upcoming appointments by text message. We further enabled low-risk offenders to report to their probation officer by phone, which delivered time savings and improved the quality of case notes.

The underlying structure that supports our operations has been transformed, with the launch of a new high performance database for the system we use to manage our offenders. This means that it better meets the needs of our frontline staff. We have continued to provide high resilience and disaster recovery capability to the Department.

MANAGEMENT OF MT EDEN CORRECTIONS FACILITY

This section provides a summary of the monthly reports submitted to the Chief Executive by the monitors of the Serco contract.

The Department has a contract with a private provider to run Mt Eden Corrections Facility (MECF). The primary outcomes of the contract are to achieve our goal of a reduction in re-offending, and to run the prison securely, safely and humanely. Serco's performance over the past year has improved as they have embedded their systems and become more familiar with the New Zealand legislative climate and environment. They are delivering innovative ways of working with prisoners that are producing measurable results, and we are keen to learn from their successes, and assess the potential for expanding some of their initiatives into other prisons.

MECF is the main remand prison for the Auckland and Northland regions, with a maximum prison population of 966. This makes it one of the largest prisons in the country and the largest prison with a predominantly remand population. Transition from public to private management of MECF was completed on 1 August 2011.

Our contract with Serco has 37 targets that must be met, with financial penalties imposed for non-performance on some of these targets. These performance targets were established to make MECF strive to be the most efficient and effective prison in the New Zealand prison network. The contracted performance targets require a very high level of compliance in many cases. The results for Serco show that the majority of their performance measured against these are either stable or improving.

Serco are also measured against 11 key performance indicators, which provide a financial incentive for Serco to exceed baseline performance in some key areas. Serco have achieved full targets for seven of the 11 key performance indicators in its first year of operation. Beyond our own monitoring activities, MECF will remain subject to the wider justice sector's scrutiny, as well as through the independent Ombudsmen's proactive investigation of any issues and through the prison inspectorate.

Under Serco's management there have been no deaths in custody and only one self-harm/threat to life incident. Self-harm is an issue in all prisons and something that we all work to avoid. Serco has established a specialised Care, Support and Integration Unit where prisoners at risk of self-harm are housed. While in the unit they are supported by trained staff and psychologists and able to interact with and support each other. This unit has helped achieve a very low rate of self-harm incidents.

Since MECF opened there have been over 3,000 prisoner transfers and thousands of prisoner movements to and from Court. Serco's prisoner reception systems and facilities, including having a first night unit and prisoner induction process, have contributed to a low number of self-harm incidents and have helped the receiving office run more smoothly.

Serco has been successful at minimising the amount of drugs entering MECF and this is shown by it having one of the lowest rates of positive drug tests in the country. Given that a large proportion of the prisoners that Serco manages are on remand, and remand prisoners generally have slightly higher positive general random drug test results, this is a significant achievement.

There have been two escapes under Serco's management in the past year, one from within the prison and one when a prisoner was being escorted outside prison. We have penalised Serco financially on both of these incidents in accordance with their contract. Following their investigations, Serco have implemented practical changes to policies and procedures to help avoid further breaches of security.

Serco is also working to reduce re-offending by providing prisoners with opportunities to gain skills and address the causes of offending during their time in prison, and by helping them to better reintegrate on their release. Serco has taken steps to make prison visits more family friendly to encourage prisoners to have regular, positive engagement with their children. Maintaining relationships with family, especially children, is a major factor in reducing the risk of re-offending and motivating prisoners to make positive life changes.

Ultimately, the introduction of Serco's seven pathway interventions will provide offenders with the opportunity to gain the skills they need to better reintegrate back into the community. Four of these pathways were implemented in the past financial year, with the remaining three to be introduced during 2012/13. Together, these pathways will help prisoners to lead law-abiding lives on release, and support our overall goal of reducing re-offending.

GOVERNANCE AND RISK MANAGEMENT

The Executive Team

In the past financial year, the Chief Executive was supported by a Deputy Chief Executive and seven General Managers who formed the Executive Team. The Executive Team met weekly and provided department-wide direction and leadership.

Throughout 2011/12, the Chief Executive was supported by a range of governance committees that supported the decision-making processes of the Executive Team and gave an additional level of governance with a specific focus on monitoring organisational performance, capability and risk.

- > **Executive Team Governance Committee**
 - reviewed financial and non-financial performance across the Department on a monthly basis, as well as overseeing the governance controls and assurance for the Department.
- > **Finance Governance Committee** – considered the Department's financial performance monthly.
- > **Information Technology Governance Committee**
 - managed the Department's IT systems and prioritised strategic change.
- > **Human Resources Governance Committee**
 - met quarterly to consider the human resources of the Department.
- > **Audit Committee** – met quarterly to provide independent advice to the Chief Executive on risk and assurance matters. It consisted of three external members, one of which was the Chair, and three internal members.

Internal Audit and Risk Management

Internal Audit undertook a range of planned and responsive activities to provide assurance that the Department's network of controls and governance was adequate and functioning effectively. The activities included planned audits across the Department's core systems, a programme of regular stock takes across business areas, and responsive reviews when there were changes that may have an impact on the control environment.

The risk management function acted as a centralised support function for the distributed network of risk management occurring throughout the Department. The unit provided the policy, systems and support to ensure a consistent and effective Risk Management approach occurred in all areas.

OUR WORKFORCE AND LEADERSHIP

A new structure for Corrections – integrating our services, empowering our regions and unifying our effort

This year Corrections committed to a new organisational structure to help us achieve our goal of a 25 percent reduction in rates of re-offending. Since 1995, the Department has been structured around distinct service arms. Most recently there have been three: prisons; probation; and rehabilitation and reintegration. In future, Corrections will be organised around one regionally-structured service delivery group, with all other parts of the Department aligned to support this group.

Having a unified service delivery group will require us to work together to effectively manage offenders. Strengthening the regions will provide greater authority to frontline staff so they can confidently apply innovation in working with offenders, whānau, and others. Unifying our effort will help us achieve the change in performance required to deliver our goal of a 25 percent reduction in re-offending over the next five years.

This year, we focused on developing motivated and capable staff, strong leaders, and a supportive workplace

In the past year our Chief Executive launched the Make a Difference Awards. These awards are one way of ensuring managers have the resources to recognise staff for the excellent work they do across the entirety of the Department. Bronze awards are presented to staff at any time to acknowledge outstanding work. This year 47 staff and five groups of staff received Make a Difference awards at regional and national office ceremonies.



Our Executive Team took time to gain a deeper understanding and appreciation of the day-to-day duties of our frontline staff. Members of the Executive Team each shadowed staff from across the Department's three services as they went about their normal business. Deputy Chief Executive, Christine Stevenson, noted that "watching the skilful and compassionate way that the staff member engaged with the offender was impressive."

In March we initiated an Emerging Senior Leaders programme, providing access to enhanced development opportunities and mentoring for 20 of our highest-achieving tier four and five managers. A more focused and deliberate approach to the development of our tier three leaders has also been further embedded. A common initial programme for all managers was introduced in January.

This year we provided a programme of mentoring and personal and professional development to staff who want to take on leadership roles in the Department to achieve better outcomes with Māori offenders. An expanded version of this programme, extending to middle management, has also been designed.

A performance culture

In line with many of our public sector colleagues, part-way through the year we began a Performance Improvement Framework Review. Overall, we received a positive review, with reviewers particularly noting the strength of our vision, strategy and purpose. The review reinforced some areas where we had already taken steps to improve our performance, and many of the achievements over the past year have contributed to improving those areas.

We challenge all our managers and staff to match their performance against our highest achievers. This year the Department embedded the use of league tables that compare performance across our service centre areas, providing managers with valuable information and encouraging us to learn from successful behaviours across the organisation.

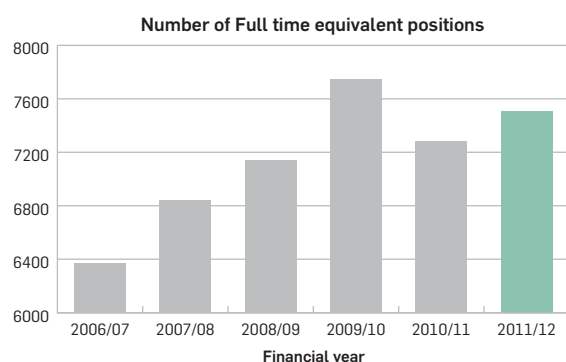
As part of our Statement of Intent for 2012-15, we developed more robust and meaningful performance measures for internal and external audiences, allowing us to better measure our successes and quickly identify and rectify any problem areas.

There are several key areas where we have taken steps to improve our performance. The Performance Improvement Framework Review reinforced the need to continue to build capability and capacity in the following areas:

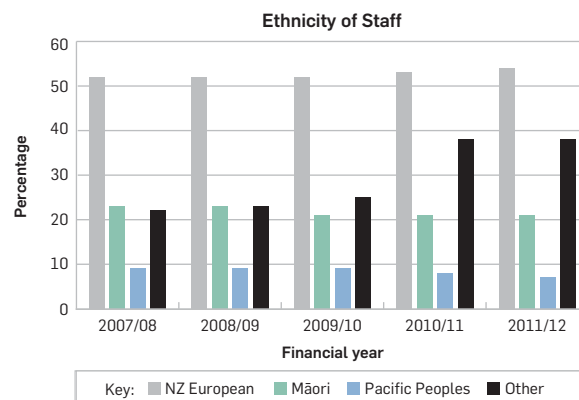
- > we are implementing a new structure to help us become more integrated and act as 'one team' to reduce re-offending
- > we are finding ways of better engaging with the public and sharing our story
- > we are working to have more effective contracting relationships with our providers
- > we have taken a broader intervention approach, with more emphasis on integration in the community
- > we are better targeting our interventions, including earlier intervention in the offender lifecycle
- > we are strengthening our sector relationships
- > we are identifying ways of better assessing the re-offending risk in the prison system
- > we have moved to offender-centric case management
- > we are striving to better engage with and support our people to reduce re-offending while ensuring sentence compliance.

Our Staff

Over the 2008 to 2010 period there was significant growth in our permanent workforce. As well as increases in the number of core frontline roles, there were increases in the numbers of health staff and employment and training instructors.



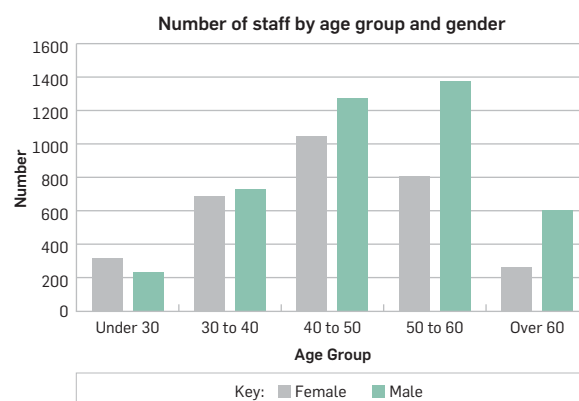
From June this year the Department has begun targeting the recruitment and training of graduates, looking to identify a pool of high-potential staff who can be fast-tracked through Corrections, develop strong cross-departmental knowledge, and become our future leaders.

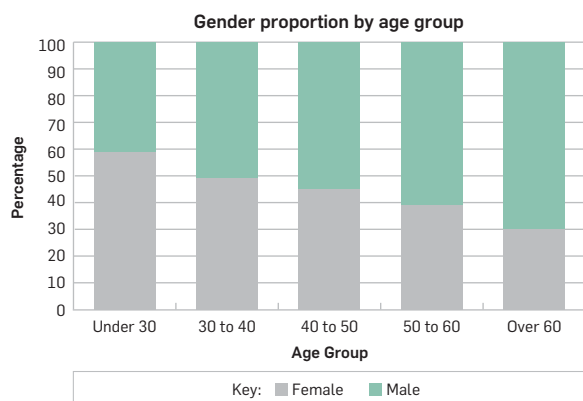


Since 2008, more than 20 percent of our staff identify themselves as Māori, and between seven and nine percent identify themselves as Pacific peoples. Staff can identify more than one identity, and since 2010 we have seen an increase in the number of staff who are choosing to identify multiple ethnicities and this is represented in the graph by growth in the "other" category.

It is important for us to ensure that staff represent the full spectrum of the offender populations, as Māori and Pacific peoples continue to be over-represented in the corrections system.

In November, the Department won the Government category of this year's Māori Language Awards, reflecting the work of staff all over the country to support offenders to reconnect with their identity.



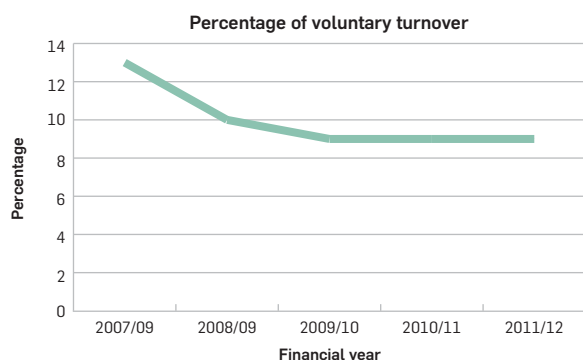


The average age of our staff is 47 years. 57 percent of Corrections' staff are male, and 43 percent are female.

Turnover

Voluntary turnover at Corrections has reduced since 2008, in line with similar reductions elsewhere in the public sector, and is below the public sector average.

One of the Department's tools to help reduce voluntary turnover, and to learn from the staff that have chosen to leave us, is the exit survey. We use this information to help inform our employee engagement strategy and to help us continually improve the culture at Corrections. This makes the Department a better place for remaining staff to work and a better place for staff that have left to return to.



In 2011/12 we focused on improving the safety and well-being of our staff

The Department of Corrections recognises that when we are fit and well, we are most effective in our roles – both in our work and in our personal lives. To help us all to achieve our best Corrections has created a Wellness portal which offers free eye examinations and reimbursements for eyewear, free health checks and free flu vaccinations for all staff.

To help our earthquake-impacted staff in the Canterbury region with their accommodation, insurance and health issues we employed a Christchurch-based Staff Welfare Officer.

Some of our frontline staff in prisons have been unable to get income protection insurance in the past because of their occupation. We negotiated with Sovereign, New Zealand's largest life insurer, in association with Aon New Zealand, who now offer all our staff the opportunity to apply for loss of earnings protection.

In addition to a number of initiatives designed to keep our staff safe on the job, we developed a process to ensure that all staff harmed in traumatic work incidents and staff who witness such incidents receive ongoing Employee Assistance Programme counselling and support.

The integrity of our staff, and having transparency in our actions, is key to achieving results with offenders

In September 2011, our prison staff arrived at work in their new blue uniforms. These uniforms visually align us with our justice sector colleagues and are more practical for the day-to-day needs of our staff.

In October we released a revised Code of Conduct for staff, which sets out the principles that enable us to do our work with integrity and transparency. It outlines the behaviours we must demonstrate if we want to succeed at reducing re-offending and maintaining public safety. We have also instituted an integrity phone line which provides access to confidential advice and support for staff and is an easy avenue for reporting concerns of unethical behaviour.

To ensure that new staff share our focus on transparency and integrity, in October 2011 we implemented a number of new employment processes, including credit checking for all employees going into jobs with significant financial risk and police checks for new frontline staff. We have also introduced integrity related questions in our recruitment interviews and drug testing for all potential staff.

This year we designed a cohesive approach to an induction programme for all new employees. 'Welcome to Corrections' was introduced in July 2012 to complement the inductions that staff receive from their own managers. The programme focuses on how we work together as one Department to reduce re-offending and clarifies where Corrections fits into the wider justice sector.

