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PART B
FINANCIAL STATEMENTS



PART B

ANNUAL FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE

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STATEMENT OF RESPONSIBILITY

In terms of the Public Finance Act 1989, I am responsible, as Chief Executive of the Department of Corrections, for the preparation of the Department's financial statements and the judgements made in the process of producing those statements.

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

In my opinion, these financial statements fairly reflect the financial position and operations of the Department for the year ended 30 June 2007.

Signed



Barry Matthews

Chief Executive

28 September 2007

Countersigned



John Bole

General Manager

Business Information & Planning

28 September 2007

AUDIT REPORT

TO THE READERS OF THE DEPARTMENT OF CORRECTIONS' FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2007

The Auditor-General is the auditor of the Department of Corrections (the Department). The Auditor-General has appointed me, Stephen Lucy, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf. The audit covers the financial statements and statement of service performance included in the annual report of the Department for the year ended 30 June 2007.

Unqualified opinion

In our opinion:

The financial statements of the Department on pages 49 to 68:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Department's financial position as at 30 June 2007; and
 - the results of its operations and cash flows for the year ended on that date.

The statement of service performance of the Department on pages 69 to 133.

- complies with generally accepted accounting practice in New Zealand; and
- fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 28 September 2007, and 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 the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and the statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Chief Executive;
- confirming year-end balances;

- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements or statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Chief Executive and the Auditor

The Chief Executive is responsible for preparing financial statements and a statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Department as at 30 June 2007 and the results of its operations and cash flows for the year ended on that date.

The statement of service performance must fairly reflect, for each class of outputs, the Department's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Chief Executive's responsibilities arise from sections 45A and 45B of the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 45D(2) of 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 Institute of Chartered Accountants of New Zealand.

In addition to the audit we have carried out assignments in the areas of:

- RPDP Assistance to Internal Audit
- Probity Assurance over the Community Detention Electronic Monitoring Services Project
- Review of Victim Notification System

which are compatible with those independence requirements. Since 30 June 2007 we have reviewed a Proposal not to Tender and commenced a review of the tender process for the provision of mechanical restraints.

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



S B Lucy

Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of the Department of Corrections for the year ended 30 June 2007 included on the Department of Corrections' web site. The Department's Chief Executive is responsible for the maintenance and integrity of the Department of Corrections' web site. We have not been engaged to report on the integrity of the Department of Corrections' web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 28 September 2007 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TRANSITION TO NEW ZEALAND EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Reason For Transition

The Accounting Standards Review Board announced in December 2002 that reporting entities must adopt the New Zealand International Financial Reporting Standards (NZ IFRS) for periods beginning after 1 January 2007. The Minister of Finance announced in 2003 that the Crown will first adopt the NZ IFRS for the financial year beginning 1 July 2007.

Impact On the Department

The Department of Corrections has conducted an assessment of the impacts of the transition to the NZ IFRS. The areas of impact from adoption of the NZ IFRS may change as implementation progresses or standards are revised.

Under the IFRS, the Department of Corrections is classified as a Public Benefit Entity. This has affected the selection of accounting policies required or permitted under the NZ IFRS.

The Treasury gathered comparative information throughout the 2006/07 financial year in conjunction with existing reporting requirements.

The 2007/08 financial statements will require restatements so that the information presented is prepared on a consistent basis. The restatements will be the:

- 2006/07 comparative figures, and
- 1 July 2006 opening balance sheet.

Under the IFRS there will be a requirement to make the following recognitions, measurements, classifications and presentation adjustments to the 2007/08 Annual Report.

1. Investments

In accordance with NZ IFRS 39: Financial Instruments: Recognition and Measurement, the Department's shares will be recognised at Fair Value.

2. Biological assets

In accordance with NZ IAS 41: Agriculture, the Department will classify its livestock and forests as biological assets.

Previously, forests were treated as a separate class of asset within property, plant and equipment. Livestock was classified as a separate non-current asset.

3. Intangible assets

In accordance with NZ IAS 38: Intangible Assets, the Department will classify its computer software as an intangible asset. Previously, computer software was treated as a separate class of asset within property, plant and equipment.

4. ACC Partnership Scheme Liability

Under NZ IFRS 4: Insurance Contracts, the Department is required to recognise the liability for work-related injury claims under the ACC partnership programme. The Department will re-measure its liability and an increase in the liability will be recognised under NZ IFRS.

5. Employee entitlements

In accordance with NZ IAS 19: Employee Benefits, the Department will recognise accumulating sick leave as a liability.

6. Taxpayers' Funds – General Funds

In accordance with NZ IFRS 1: First-time adoption of NZ equivalents to International Financial Reporting Standards, adjustments required under transition to NZ IFRS will be adjusted directly to equity.

7. Livestock

In accordance with NZ IAS 41: Agriculture, the previous revaluation reserve attributable to biological assets will be de-recognised and transferred to general funds.

STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2007

Reporting Entity

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

These are the financial statements of the Department of Corrections prepared pursuant to section 45 of the Public Finance Act 1989.

The Department has reported the Crown activities and trust monies which it administers.

Measurement System

The financial statements have been prepared on an historical cost basis modified by the revaluation of certain non-current assets.

ACCOUNTING POLICIES

The following particular accounting policies, which materially affect the measurement of financial results and financial position, have been applied.

Budget Figures

The Budget figures are those presented in the Statement of Intent (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates).

Revenue

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

Cost Allocation

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

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

Debtors And Receivables

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

Operating Leases

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

Physical Assets

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

The two-year cycle is subject to a reasonableness test on an annual basis to ensure it does not result in material differences in fair value.

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

Land and buildings were revalued as at 30 June 2007.

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

Discontinued operations, disposals and assets held for sale are shown at fair value prior to being sold or disposed.

Forests

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the Statement of Financial Performance.

The costs to maintain the forestry assets are included in the Statement of Financial Performance.

STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2007

Depreciation

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

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

Buildings		
Buildings – concrete	50 years	(2%)
Buildings – wood	25 years	(4%)
Buildings – fit-outs	3 to 20 years	(33.3% to 5%)
Hut complexes – concrete	50 years	(2%)
Hut complexes – wood	25 years	(4%)
Hut fit-outs	3 to 20 years	(33.3% to 5%)
Leasehold Improvements		
Leasehold improvements	10 years	(10%)
Plant and Equipment		
Plant and machinery	10 years	(10%)
Office equipment	5 years	(20%)
Tools and equipment	5 years	(20%)
Furniture and Fittings		
Furniture and fittings – office	5 years	(20%)
Furniture and fittings – prisoner	3 years	(33.3%)
Computer Equipment		
Information technology – network	5 years	(20%)
Information technology – specialised	3 to 10 years	(33.3% to 10%)
Information technology – PC based	3 years	(33.3%)
Motor Vehicles		
Motor vehicles – heavy duty	8 years	(12.5%)
Motor vehicles – other	5 years	(20%)

The useful life of buildings is reassessed following any revaluation.

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

Inventory

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

and direct labour together with an appropriate portion of fixed and variable production overheads.

Employee Entitlements

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

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

STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2007

Statement of Cash Flows

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

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

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

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

Livestock

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

Investments

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

Foreign Currency

Foreign currency transactions are converted into New Zealand dollars at the exchange rate at the date of the transaction.

Financial Instruments

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

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

Goods And Services Tax (GST)

The Statement of Unappropriated Expenditure and the Statement of Departmental Expenditure and Appropriations are exclusive of GST. The Statement of Financial Position is exclusive of GST except for Creditors and Payables and Debtors and Receivables, which are GST inclusive. All other statements are GST exclusive.

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

Taxation

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 2004. Accordingly, no charge for income tax has been provided for.

Commitments

Future expenses and liabilities to be incurred on capital and operating contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

Contingent Liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident.

Taxpayers' Funds

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

Changes In Accounting Policies

Forests

The Department's forestry assets are independently revalued annually at fair value less estimated point of sale costs.

Previously the independent annual revaluation was based on prices published by the Ministry of Agriculture and Forestry. The valuation has not resulted in any classification or presentation changes.

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

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2007

30/06/06 Actual (\$000)		Notes	30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
REVENUE					
628,902	Crown		742,619	698,078	742,619
5,926	Departmental		7,469	6,229	7,029
25,164	Other	1	28,643	25,998	27,998
9	Dividends		53	—	—
75	Interest		2	—	—
660,076	Total operating revenue		778,786	730,305	777,646
EXPENDITURE					
322,562	Personnel costs	2	378,131	344,398	383,657
191,574	Operating costs	3	206,529	197,101	206,778
62,492	Depreciation	4	77,318	80,223	78,023
82,076	Capital charge	5	103,286	108,583	109,188
658,704	Total output expenses		765,264	730,305	777,646
1,372	Net surplus/(deficit)		13,522	—	—

The accompanying accounting policies and notes form part of these financial statements.
For information on major variances against budget refer to Note 16 (page 68).

STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS

For the year ended 30 June 2007

30/06/06 Actual (\$000)		Notes	30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
953,302	TAXPAYERS' FUNDS BROUGHT FORWARD AS AT 1 JULY		1,272,152	1,346,849	1,272,152
	Movements during the year (other than flows to and from the Crown)				
1,372	Add/(deduct) net surplus/(deficit)		13,522	–	–
303	Increase/(decrease) in revaluation reserves	6	191,484	–	80,000
1,675	Total recognised revenues and expenses for the period		205,006	–	80,000
	Adjustment for flows to and from the Crown				
318,547	Add capital contributions from the Crown during the year	6	266,682	217,682	311,682
(1,372)	Provision for payment of surplus to the Crown		(13,522)	–	–
317,175	Total adjustments for flows to and from the Crown		253,160	217,682	311,682
1,272,152	Taxpayers' funds at end of the year		1,730,318	1,564,531	1,663,834

The accompanying accounting policies and notes form part of these financial statements.
For information on major variances against budget refer to Note 16 (page 68).

STATEMENT OF FINANCIAL POSITION

As at 30 June 2007

30/06/06 Actual (\$000)		Notes	30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
ASSETS					
Current Assets					
20,044	Cash and bank balances		56,498	17,383	19,258
962	Prepayments		1,643	625	625
4,652	Debtors and receivables	7	7,037	4,050	5,684
5,176	Inventories		5,842	3,842	5,600
–	Assets available for sale	8	484	–	–
30,834	Total current assets		71,504	25,900	31,167
Non-current assets					
8,680	Livestock		8,666	8,350	8,680
6,645	Investments		6,563	6,608	6,563
1,367,315	Physical assets	8	1,794,413	1,662,172	1,768,613
1,382,640	Total non-current assets		1,809,642	1,677,130	1,783,856
1,413,474	Total assets		1,881,146	1,703,030	1,815,023
LIABILITIES					
Current liabilities					
88,603	Creditors and payables	9	73,426	95,649	96,339
2,839	Provisions	10	4,946	–	–
1,372	Provision for repayment of surplus to the Crown		13,522	–	–
38,503	Provision for employee entitlements	11	48,517	32,950	42,950
131,317	Total current liabilities		140,411	128,599	139,289
Non-current liabilities					
10,005	Provision for employee entitlements	11	10,417	9,900	11,900
10,005	Total non-current liabilities		10,417	9,900	11,900
141,322	Total liabilities		150,828	138,499	151,189
TAXPAYERS' FUNDS					
1,182,940	General funds	6	1,449,622	1,475,622	1,494,622
89,212	Revaluation reserves	6	280,696	88,909	169,212
1,272,152	Total taxpayers' funds		1,730,318	1,564,531	1,663,834
1,413,474	Total liabilities and taxpayers' funds		1,881,146	1,703,030	1,815,023

The accompanying accounting policies and notes form part of these financial statements.
For information on major variances against budget refer to Note 16 (page 68).

STATEMENT OF CASH FLOWS

For the year ended 30 June 2007

30/06/06 Actual (\$000)	Notes	30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash provided from:				
Supply of outputs to				
628,902	Crown	742,619	698,078	742,619
5,926	Departments	7,469	6,229	7,029
23,985	Other	26,310	25,998	27,080
Cash disbursed to:				
(317,379)	Personnel	(367,705)	(344,398)	(383,657)
(201,267)	Operating	(201,527)	(197,101)	(195,827)
1,099	Net GST paid	4,101	–	–
(82,076)	Capital charge	(103,286)	(108,583)	(109,188)
59,190	Net cash flows from operating activities	107,981	80,223	88,056
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash provided from:				
–	Sale of investments	83	–	–
737	Sale of physical assets	754	1,650	1,650
Cash disbursed to:				
(366)	Purchase of investments	–	–	–
(438,429)	Purchase of physical assets	(337,674)	(313,696)	(400,802)
(438,058)	Net cash flows from investing activities	(336,837)	(312,046)	(399,152)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash provided from:				
313,243	Capital contribution from the Crown	266,682	217,682	311,682
Cash disbursed to:				
(167)	Payment of surplus to the Crown	(1,372)	–	(1,372)
313,076	Net cash flows from financing activities	265,310	217,682	310,310
(65,792)	Net increase/(decrease) in cash held	36,454	(14,141)	(786)
85,836	Opening total cash balances at 1 July	20,044	31,524	20,044
20,044	Closing cash balances as of 30 June	56,498	17,383	19,258

The accompanying accounting policies and notes form part of these financial statements.
For information on major variances against budget refer to Note 16 (page 68).

STATEMENT OF COMMITMENTS

As at 30 June 2007

The Department has long-term leases on premises at many locations throughout New Zealand. The annual lease rentals are subject to regular reviews, usually ranging from two years to three years. The amounts disclosed below as future commitments are based on current rental rates.

Operating leases include lease payments for premises, computer equipment, telephone exchange systems and photocopiers.

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)
Non-cancellable accommodation leases		
8,365	Less than one year	8,365
6,437	One to two years	7,057
11,992	Two to five years	11,357
5,009	More than five years	5,226
31,803		32,005
Commitments arising from other contracts		
21,300	Less than one year	24,217
17,449	One to two years	17,647
19,511	Two to five years	11,074
–	More than five years	–
58,260		52,938
Capital commitments		
169,467	Less than one year	37,421
7,140	One to two years	1,406
–	Two to five years	–
–	More than five years	–
176,607		38,827
266,670	Total commitments	123,770

The decrease in capital commitments is largely due to contracts being completed for the construction of Otago Corrections Facility, Spring Hill Corrections Facility, and the building of additional beds at existing sites.

STATEMENT OF CONTINGENT LIABILITIES

As at 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)
8,593	Legal proceedings	4,421
641	Personal grievances	1,002
9,234	Total contingent liabilities	5,423

The Department was defending 35 legal proceedings claims by prisoners and external parties as at 30 June 2007. They cover a range of areas, including breach of the NZ Bill of Rights Act 1990 and breach of contract.

The Department was also defending personal grievances made by 53 staff members.

STATEMENT OF UNAPPROPRIATED EXPENDITURE

For the year ended 30 June 2007

There was no unappropriated expenditure in any of the output classes by the Department during the 2006/07 financial year.

STATEMENT OF DEPARTMENTAL EXPENDITURE AND CAPITAL APPROPRIATIONS

For the year ended 30 June 2007

		30/06/07 Expenditure Actual (\$000)	30/06/07 Appropriation Voted** (\$000)
	Notes		
VOTE: CORRECTIONS			
Appropriations for classes of outputs			
Information Services		35,465	36,944
Community-based Sentences and Orders		83,692	86,872
Custody of Remand Prisoners		103,919	107,578
Escorts and Custodial Supervision		9,491	9,972
Custodial Services		435,910	436,586
Prisoner Employment		39,158	39,786
Rehabilitative Programmes and Reintegrative Services		46,126	47,489
Services to the New Zealand Parole Board		5,694	5,704
Policy Advice and Development		4,874	4,981
Service Purchase and Monitoring		1,612	1,734
Total departmental output expenditure		765,941	777,646
Remeasurements*	2 & 3	(677)	–
Total departmental expenditure		765,264	777,646
Capital injections		266,682	266,682

* Remeasurements relate to the forestry revaluation of \$0.479 million and the long service and retirement leave valuation of (\$1.156 million). As per section 4(2) of the Public Finance Act, 'Expense does not include an expense that results from (a) a remeasurement of an asset or liability'.

** These amounts include adjustments made in the Supplementary Estimates and the following In Principle Capital Transfer.

	Supplementary Estimates (\$000)	In Principle Capital Transfer (\$000)	Final Appropriation (\$000)
Capital Injections	311,682	(45,000)	266,682

The Department returned \$45 million of capital funding in 2006/07 due to a change in timing of some the Department's infrastructure programmes.

STATEMENT OF TRUST MONIES

For the year ended 30 June 2007

Account	As at 01/07/06 (\$000)	Contribution (\$000)	Distribution (\$000)	As at 30/06/07 (\$000)
Prison Trust Accounts	546	12,431	(12,136)	841
	546	12,431	(12,136)	841

These accounts represent amounts held at each prison on behalf of prisoners for the purchase of toiletries and other miscellaneous items.

Trust Monies are not included in the Department's reported bank balances. Trust Monies are held on behalf of the prisoners in bank accounts maintained by the prisons (one bank account per prison).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

NOTE 1: OTHER REVENUE

30/06/06		30/06/07	30/06/07	30/06/07
Actual		Actual	Main Estimates	Supp. Estimates
(\$000)		(\$000)	(\$000)	(\$000)
23,584	External sales	26,811	24,903	26,764
1,491	Rents	1,502	974	974
89	Miscellaneous	330	121	260
25,164	Total other revenue	28,643	25,998	27,998

NOTE 2: PERSONNEL COSTS

30/06/06		30/06/07	30/06/07	30/06/07
Actual		Actual	Main Estimates	Supp. Estimates
(\$000)		(\$000)	(\$000)	(\$000)
320,731	Salaries and wages	375,624	343,683	382,232
1,831	Retirement and long service leave	2,507	715	1,425
322,562	Total personnel costs	378,131	344,398	383,657

The retiring and long service leave includes a remeasurement due to a change in discount rates of (\$1.156 million) between 30 June 2006 and 30 June 2007.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

NOTE 3: OPERATING COSTS

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
11,354	Operating lease rentals	11,856	11,726	12,818
240	Audit fees to auditors for audit of the financial statements	270	240	280
–	Audit Fees for NZ IFRS Transition	23	–	25
175	Fees to auditors for other services provided	63	–	–
43,684	Facilities maintenance	46,388	39,992	45,302
62,075	Offender management costs	64,630	58,825	59,511
10,207	Computer costs	10,220	8,090	8,062
11,741	Contract management	11,962	11,666	11,839
28,172	Administration	32,104	45,604	37,088
66	Bad Debts	233	–	–
18,182	Other operating costs	27,413	20,958	31,853
4,830	Forestry (devaluation) / revaluation	479	–	–
848	Loss on sale of fixed assets	888	–	–
191,574	Total operating costs	206,529	197,101	206,778

Contract Management represents contracts with Chubb New Zealand Limited and the New Zealand Prisoners' Aid and Rehabilitation Society Incorporated.

NOTE 4: DEPRECIATION

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
42,799	Buildings	55,577	60,723	55,799
1,239	Leasehold improvements	1,264	900	900
2,866	Plant and equipment	2,968	4,900	4,524
952	Furniture and fittings	1,025	1,500	1,800
11,214	Computer equipment	13,006	9,000	11,800
3,422	Motor vehicles	3,478	3,200	3,200
62,492	Total depreciation charge	77,318	80,223	78,023

NOTE 5: CAPITAL CHARGE

The Department pays a capital charge to the Crown on its taxpayers' funds as at 31 December and 30 June each year.

The capital charge rate for the year ended 30 June 2007 was 7.5 per cent per annum (2006: 8.0 per cent).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

NOTE 6: TAXPAYERS' FUNDS

Taxpayers' Funds comprises two components:

General Funds

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
864,393	General funds as at 1 July	1,182,940	1,257,940	1,182,940
1,372	Net operating surplus/(deficit)	13,522	–	–
318,547	Capital contribution	266,682	217,682	311,682
319,919		280,204	217,682	311,682
(1,372)	Provision for repayment of surplus to the Crown	(13,522)	–	–
1,182,940	General funds as at 30 June	1,449,622	1,475,622	1,494,622

Revaluation Reserve

30/06/06 Total Actual (\$000)		30/06/07 Livestock (\$000)	30/06/07 Land (\$000)	30/06/07 Buildings (\$000)	30/06/07 Total Actual (\$000)
88,909	Balance brought forward	1,800	36,572	50,840	89,212
303	Revaluation changes at 30 June	368	28,916	162,200	191,484
89,212	Revaluation reserve as at 30 June	2,168	65,488	213,040	280,696

NOTE 7: DEBTORS AND RECEIVABLES

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)
2,935	Trade debtors	4,908
1,999	Other	2,181
(282)	Provision for doubtful debts	(52)
4,652	Total debtors and receivables	7,037

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

NOTE 8: PHYSICAL ASSETS

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)
	Freehold Land	
221	At cost	–
111,840	At valuation – 30 June 2007	141,067
112,061	Land – net book value	141,067
	Buildings	
106,710	At cost	–
573,081	At valuation – 30 June 2007	1,164,468
(42,742)	Accumulated depreciation	–
637,049	Buildings – net book value	1,164,468
	Leasehold Improvements	
10,939	At cost	11,856
(4,974)	Accumulated depreciation	(6,223)
5,965	Leasehold Improvements – net book value	5,633
	Forests	
30,822	At valuation	29,396
30,822	Forests – net book value	29,396
	Plant and Equipment	
31,966	At cost	34,115
(19,903)	Accumulated depreciation	(21,460)
12,063	Plant and Equipment – net market value	12,655
	Furniture and Fittings	
7,895	At cost	8,925
(5,418)	Accumulated depreciation	(6,088)
2,477	Furniture and Fittings – net book value	2,837
	Computer Equipment (incl software)	
83,521	At cost	106,047
(54,917)	Accumulated depreciation	(67,733)
28,604	Computer Equipment – net book value	38,314

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

NOTE 8: PHYSICAL ASSETS (CONTINUED)

30/06/06		30/06/07
Actual		Actual
(\$000)		(\$000)
Motor Vehicles		
34,846	At cost	36,824
(19,991)	Accumulated depreciation	(21,032)
14,855	Motor Vehicles – net book value	15,792
Items Under Construction		
511,719	Buildings	377,464
11,700	Computer Equipment	6,787
523,419	Items Under Construction – net book value	384,251
Total Physical Assets		
1,515,260	At cost and valuation	1,916,949
(147,945)	Accumulated depreciation	(122,536)
1,367,315	Total carrying amount of physical assets	1,794,413

Freehold land and buildings were valued at fair value as at 30 June 2007 by an independent registered valuer, valuersnet.NZ. This valuation was certified by M W Lauchlan ANZIV SNZPI.

The valuation of forests was undertaken by an independent registered valuer, P F Olsen and Company Limited, on 30 June 2007. This valuation was completed by T Vos, registered forestry consultant, NZIF.

The land holdings of the Department are subject to general Treaty of Waitangi claims. No reduction in value has been recognised in these financial statements but there may be restrictions on the Department disposing of the holdings except under Treaty claims procedures.

The Department classifies physical assets expected to be sold in the next 12 months as Assets Available for Sale.

NOTE 9: CREDITORS AND PAYABLES

30/06/06		30/06/07
Actual		Actual
(\$000)		(\$000)
20,332	Trade creditors	21,623
67,879	Accrued expenses	47,310
392	GST payable	4,493
88,603	Total creditors and payables	73,426

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

NOTE 10: PROVISIONS

30/06/06 Total		30/06/07 Procurement	30/06/07 Restructure	30/06/07 Employee Accidents	30/06/07 Total
Actual \$000		Actual (\$000)	Actual (\$000)	Actual (\$000)	Actual (\$000)
1,984	Balance brought forward	546	–	2,293	2,839
2,293	Additional provisions made during the year	–	1,535	10,020	11,555
(1,438)	Charged against provision for the year	–	–	(9,448)	(9,448)
2,839	Provisions as at 30 June	546	1,535	2,865	4,946

Procurement – The provision has arisen as a result of changes to the Department's procurement system.

Restructure – The provision has arisen as a result of changes to the Department's organisational structure.

Employee Accidents – An employee provision for the estimated cost of future work-related accident claims and ACC residual levies for ongoing entitlement costs for claims prior to 30 June 1999.

NOTE 11: PROVISION FOR EMPLOYEE ENTITLEMENTS

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)
Current liabilities		
12,187	Retirement and long service leave	14,567
26,316	Annual leave	33,950
38,503	Total current portion	48,517
Non-current liabilities		
10,005	Retirement and long service leave	10,417
10,005	Total non-current portion	10,417
48,508	Total provision for employee entitlements	58,934

Aon New Zealand revalues the Department's non-current liabilities on a quarterly basis.

The major assumptions used in the 30 June 2007 valuation are that salary growth rates are 3.0 per cent per annum and discount rates ranged from 6.65 per cent to 7.46 per cent per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

**NOTE 12: RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2007**

30/06/06		30/06/07	30/06/07	30/06/07
Actual		Actual	Main Estimates	Supp. Estimates
(\$000)		(\$000)	(\$000)	(\$000)
1,372	Net surplus/(deficit)	13,522	–	–
	Add/(less) non-cash items			
62,492	Depreciation	77,318	80,223	78,023
196	Inc/(dec) in non-current employee entitlements	412	–	1,895
4,801	Inc/(dec) other non-cash items	862	–	82
67,489	Total non-cash items	78,592	80,223	80,000
	Working capital movements			
181	(Inc)/dec in receivables	(2,385)	–	(1,032)
(619)	(Inc)/dec in inventories	(666)	–	(424)
(10)	(Inc)/dec in prepayments	(681)	–	337
(15,058)	Inc/(dec) in creditors and payables	8,697	–	4,728
4,987	Inc/(dec) in current employee entitlements	10,014	–	4,447
(10,519)	Working capital movements – net	14,979	–	8,056
–	Add/(less) investing activity items	–	–	–
848	Net loss/(gain) on sale of physical assets	888	–	–
848	Total investing activity items	888	–	–
59,190	Net cash flow from operating activities	107,981	80,223	88,056

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

NOTE 13: FINANCIAL INSTRUMENTS

The Department is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, investments, accounts receivable and trade creditors.

Cash

The Department did not enter into any forward exchange contracts during the financial year.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Department, causing the Department to incur a loss. In the normal course of business, the Department incurs credit risk from trade debtors, and transactions with financial institutions.

The Department does not require any collateral or security to support financial instruments with financial institutions that the Department deals with, as these entities have high credit ratings. For its other financial instruments, the Department does not have significant concentrations of credit risk.

Fair value

The fair value of all financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Currency risk

Currency risk is the risk that debtors and creditors due in foreign currency will fluctuate because of changes in foreign exchange rates.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could impact on the return on investments or the cost of borrowing. The Department has no significant exposure to interest rate risk on its financial instruments.

Under section 46 of the Public Finance Act the Department cannot raise a loan without Ministerial approval and no such loans have been raised. Accordingly, there is no interest rate exposure for funds borrowed.

NOTE 14: CONTINGENCIES

The Department does not have any contingent assets as at 30 June 2007 (30 June 2006: nil).

Contingent liabilities are separately disclosed in the Statement of Contingent Liabilities.

NOTE 15: RELATED PARTY INFORMATION

The Department is a wholly owned entity of the Crown. The Government significantly influences the roles of the Department as well as being its major source of revenue.

The Department enters into numerous transactions with other government departments, Crown agencies and state-owned enterprises on an 'arm's length' basis. Where those parties are acting in the course of their normal dealings with the Department, related party disclosures have not been made for transactions of this nature.

Apart from those transactions described above, the Department has not entered into any related party transactions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

NOTE 16: MAJOR BUDGET VARIATIONS

Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows And Statement of Departmental Expenditure and Appropriations

Revenue Crown, operating and personnel costs are more than projected in the Main Estimates process due to additional funding being appropriated as a result of the Effective Interventions project and 2006 bargaining round. This primarily impacted personnel costs as the Effective Interventions funding was for 70 Probation Officers and the 2006 bargaining round resulted in an average increase in salary for Corrections Officers of 14 per cent.

Physical assets and net cash flows from financing activities are more than projected in the Main Estimates process due to additional capital being received as a result of the Effective Interventions project.

Physical assets and revaluation reserves are more than projected in the Main Estimates process due to the revaluation of Land and Buildings at 30 June 2007.

The increase in cash is due to delays in the Department's capital programmes, primarily deferred maintenance and infrastructure development.

NOTE 17: POST-BALANCE DATE EVENTS

There were no post-balance date events that required adjustment to the financial statements.



STATEMENT OF SERVICE PERFORMANCE

STATEMENT OF SERVICE PERFORMANCE

For the year ended 30 June 2007

OUTPUT CLASS 1

INFORMATION SERVICES

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

This output class primarily contributes to the Departmental outcome of 'protecting the public'.

OUTPUT CLASS STATEMENT: INFORMATION SERVICES

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
REVENUE				
30,299	Crown	36,944	30,996	36,944
–	Other	–	–	–
30,299	Total Revenue	36,944	30,996	36,944
29,866	Total Expenses	35,465	30,996	36,944
433	Net Surplus / (Deficit)	1,479	–	–

OUTPUT 1.1: SENTENCING INFORMATION AND ADVICE TO COURTS

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of reports to courts:	28,296	31,940	31,000	940
The number of hours for attendance at courts:	59,846	64,151	61,000	3,151
QUALITY				
The percentage of reports provided to the following standards contained in the relevant service descriptions and Probation and Offender Services Manual to be no less than:	94%	94%	95%	(1%)
<ul style="list-style-type: none"> • written reports in a specified format • verification process specified/rationale for no verification • concise, logical and grammatically correct • clear statement of recommendations consistent with the law. 				
The number of written complaints from judges to be no more than:	5	3	15	12
TIMELINESS				
The percentage of reports to courts provided to a timetable set through service level agreements to be no less than:	96%	96%	98%	(2%)

Comments

The low number of written complaints was consistent with the low number of complaints in previous financial years and reflects good informal communication channels established between the Department and judiciary, which mean that judges do not have to resort to formal written complaints.

The number of reports to courts were 3 per cent above forecast and almost 13 per cent above the previous year, reflecting the increased number of offenders coming before the courts. This also resulted in an increase in the hours that Probation Officers spent at court, which were 5 per cent above forecast and 7 per cent above 2005/06 volumes. Despite these pressures, quality and timeliness standards were maintained.

OUTPUT 1.2: PAROLE INFORMATION AND ADVICE TO THE NEW ZEALAND PAROLE BOARD

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

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of New Zealand Parole Board pre-release reports prepared for prisoners:	4,575	5,183	4,600	583
QUALITY				
The percentage of New Zealand Parole Board pre-release reports provided to the following standards contained in the relevant service descriptions, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:	100%	97%	100%	(3%)
<ul style="list-style-type: none"> the reports are clear and concise, identifying major points to enable the Board to make a decision on the prisoner's release the reports must identify whether statements are fact or opinion; findings are to be derived from the body of the report; recommendations are to address issues, be capable of being implemented and demonstrate that they will achieve the results required each prisoner is involved in the development of his or her report. 				
TIMELINESS				
The percentage of New Zealand Parole Board pre-release reports provided within the deadlines set by the Board to be no less than:	96%	98%	100%	(2%)

Comments

The volume of pre-release reports completed was 13 per cent higher than forecast. This volume is demand-driven by requests for reports from the New Zealand Parole Board. A consequence of higher prisoner numbers than forecast is a higher number of prisoners becoming eligible for release, thereby increasing the number of pre-release reports requested. Despite the high number of reports completed, quality and timeliness results were in line with expectations.

OUTPUT 1.3: HOME LEAVE REPORTS

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

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of home leave reports:	616	462	900	(438)
QUALITY				
The percentage of home leave reports provided to the following standards contained in the relevant service description and Probation and Offender Services Manual to be no less than:	96%	97%	98%	(1%)
<ul style="list-style-type: none"> • reports completed and all questions addressed • concise, logical and grammatically correct. 				
TIMELINESS				
The percentage of home leave reports provided within two weeks of request to be no less than:	96%	96%	98%	(2%)

Comments

The number of home leave reports prepared was 49 per cent below forecast. This volume is demand-driven and is dependant on the number of prisoners who apply for home leave and is not controlled or influenced by the Department.

OUTPUT 1.4: HOME DETENTION ASSESSMENTS TO THE NEW ZEALAND PAROLE BOARD

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

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of home detention specialist reports:	3,013	3,406	4,000	(594)
QUALITY				
The percentage of home detention specialist reports provided to the following standards contained in the relevant service description and Probation and Offender Services Manual to be no less than:				
	97%	98%	98%	0%
<ul style="list-style-type: none"> • written reports in a specified format • verification process specified/rationale for no verification • concise, logical and grammatically correct • statement of recommendations consistent with the law. 				
TIMELINESS				
The percentage of home detention specialist reports provided within the deadlines agreed with the New Zealand Parole Board to be no less than:				
	90%	92%	98%	(6%)

Comments

Home Detention specialist reports were 15 per cent below forecast. Demand for Home Detention specialist reports is driven by a number of factors, including the number of offenders given leave by the court to apply for Home Detention, the number of offenders who apply to the New Zealand Parole Board for Home Detention and the number of Home Detention reports subsequently requested by the New Zealand Parole Board.

The percentage of Home Detention specialist reports provided within the agreed deadlines was slightly below forecast due to a number of factors including staff workloads. However, timeliness of these reports has gradually improved over the last three financial years, from 88 per cent in 2004/05, 90 per cent in 2005/06 to 92 per cent in 2006/07.

OUTPUT 1.5: PSYCHOLOGICAL SERVICE INFORMATION AND ADVICE TO COURTS AND THE NEW ZEALAND PAROLE BOARD

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of New Zealand Parole Board reports:	1,121	980	900 ¹	80
The number of reports to courts:	151	118	100 ²	18
QUALITY				
The percentage of New Zealand Parole Board reports provided to the standards contained in service descriptions and the Psychological Service Manual to be no less than:	100%	100%	100%	0%
The percentage of reports to courts provided to the following standards contained in the service descriptions and Psychological Service Manual to be no less than:	100%	100%	100%	0%
<ul style="list-style-type: none"> • written reports in a specified format • concise, logical and grammatically correct • source and reason for referral are clearly stated • all relevant and appropriate information included • sources of information well documented and verified • clear statement of recommendations for further investigation • complies with the Code of Ethics of the NZ Psychological Society 1986. 				
TIMELINESS				
The percentage of New Zealand Parole Board reports provided within deadlines agreed with the Board to be no less than:	100%	100%	100%	0%
The percentage of reports to courts provided to a timetable set through service level agreements to be no less than:	100%	100%	100%	0%

Comments

Revised forecasts for psychological reports to courts and the Parole Board were agreed with the Minister mid-year on the basis that the trend in previous years for a peak in the number of reports in the second half of the year would continue. While the numbers continued to increase in the second half of 2006/07, they did so without the peak of previous years.

The volume of psychological reports prepared for the Parole Board is demand-driven by requests from the Board within the context of its business rules and the provisions of Section 107 of the Parole Act 2002. The volume of reports exceeded the 2006/07 Statement of Intent forecast, however final numbers were 8 per cent below the revised forecast of 1,068.

The number of psychological reports prepared for courts is demand-driven and dependent upon requests from the Courts. The volume of reports exceeded the 2006/07 Statement of Intent forecast, however they were 21 per cent below the revised forecast of 150.

¹ Ministerial approval was received to revise this performance standard to 1,068.

² Ministerial approval was received to revise this performance standard to 150.

OUTPUT 1.6: INFORMATION SERVICES FOR EXTENDED SUPERVISION ORDERS

This output entails the provision of information for courts and the New Zealand Parole Board in respect of Extended Supervision orders. The output includes Psychological Service health assessments of offenders for whom an order may be sought, applications to courts for the orders, and applications to the New Zealand Parole Board to set conditions for the orders.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of health assessments completed on offenders for whom an extended supervision order is considered:	96	77	56	21
The number of extended supervision applications to courts:	47	42	56	(14)
The number of applications to the New Zealand Parole Board for special conditions (for offenders who are subject to an extended supervision order):	46	37	56	(19)
QUALITY				
The percentage of health assessments provided to the following standards to be no less than:	100%	100%	100%	0%
<ul style="list-style-type: none"> • written assessments in a specified format • verification process specified • required information provided where available • clear statement of recommendations consistent with the law. 				
The percentage of applications to courts provided to the following standards to be no less than:	100%	100%	100%	0%
<ul style="list-style-type: none"> • written assessments in a specified format • verification process specified • required information provided where available • clear statement of recommendations consistent with the law. 				
The percentage of reports to the New Zealand Parole Board provided to the following standards to be no less than:	100%	100%	100%	0%
<ul style="list-style-type: none"> • written assessments in a specified format • verification process specified • required information provided where available • clear statement of recommendations consistent with the law. 				

TIMELINESS	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The percentage of health assessments provided within deadlines to be no less than:	new measure	100%	100%	0%
The percentage of applications to courts made in accordance with departmental timeframes to be no less than:	100%	100%	100%	0%
The percentage of applications to the New Zealand Parole Board provided within deadlines agreed with the Board to be no less than:	100%	100%	100%	0%

Comments

All child-sex offenders are assessed by a psychologist prior to their first appearance before the Parole Board, and a significantly greater number than anticipated (38 per cent above forecast) were assessed as 'sufficiently high-risk' to warrant a health assessment for Extended Supervision.

Extended Supervision applications to the courts and applications to the New Zealand Parole Board for special conditions were below forecast for the year. The number of Extended Supervision applications to the courts is demand-driven, and applications to the Parole Board for special conditions are determined by the number of Extended Supervision applications to courts. The number of Extended Supervision applications prepared can fluctuate, but due to the serious nature of this offending, the forecast is set to ensure the Department has the capacity to respond to cases as they arise.

For the year ended 30 June 2007

OUTPUT CLASS 2 COMMUNITY-BASED SENTENCES AND ORDERS

This output class provides for the management and delivery of community-based sentences and orders through sentence management and sentence compliance services. Included as part of these services are the sentences of Supervision and Community Work and orders such as Home Detention, parole, Post-Release conditions and Extended Supervision for serious child-sex offenders.

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

It provides for an estimated 42,606 new sentences and orders, and primarily contributes to the Departmental outcome of 'protecting the public'.

OUTPUT CLASS STATEMENT: COMMUNITY-BASED SENTENCES AND ORDERS

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
REVENUE				
72,217	Crown	85,372	75,040	85,372
–	Departmental	–	700	1,500
72,217	Total Revenue	85,372	75,740	86,872
69,844	Total Expenses	83,692	75,740	86,872
2,373	Net Surplus / (Deficit)	1,680	–	–

OUTPUT 2.1: SUPERVISION

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

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of supervision sentences:	5,565	6,359	5,000	1,359
QUALITY				
The percentage of offenders who comply with the special conditions imposed as part of their sentence to be no less than:	74%	74%	68%	6%

Comments

The number of Supervision sentences was 27 per cent above the forecast of 5,000. The number of Supervision sentences is demand-driven by rates of arrest, judicial decisions and pre-sentence reports recommending Supervision.

The percentage of offenders who complied with special conditions imposed as part of their sentence continued to exceed expectations, despite the greater than expected volume of Supervision sentences. Compliance is influenced by a wide range of variables that are not easily quantifiable and it is difficult to attribute the impact of any one particular factor to the overall positive result. Factors can include:

- individual offender characteristics, for example, age, offending history, current personal circumstances, motivation to address offending
- the number and complexity of special conditions to be complied with (eg attendance at programmes, non-association orders, residential/employment restrictions)
- continued improvement in the skills and experience of Probation Officers, together with their commitment and efforts to ensure offenders focus on sentence compliance.

OUTPUT 2.2: COMMUNITY WORK

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of community work sentences:	28,400	31,387	29,000	2,387
QUALITY				
The percentage of offenders who successfully complete a community work sentence to be no less than:	74%	75%	70%	5%

Comments

The number of Community Work sentences was 8 per cent above the forecast of 29,000. The number of Community Work sentences imposed varies dependent upon rates of arrest, the nature of offending and judicial decisions. Despite the high volume of Community Work sentences, successful completions were not compromised.

OUTPUT 2.3: HOME DETENTION ORDERS

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of offenders directed to complete a home detention order:	1,293	1,517	2,200	(683)
QUALITY				
The percentage of offenders who abscond from home detention to be no more than:	1%	1%	2%	(1%)
The percentage of offenders who comply with the special conditions imposed as part of their order to be no less than:	93%	90%	80%	10%

Comments

The number of offenders directed to complete a Home Detention order was 31 per cent below the forecast of 2,200. The number of offenders directed to complete a Home Detention order is determined by the decisions of the courts and the New Zealand Parole Board.

Compliance with special conditions is influenced by a wide range of variables that are not easily quantifiable and it is difficult to attribute the impact of any one particular factor to the overall positive result. Factors can include:

- individual offender characteristics, for example, age, offending history, current personal circumstances, motivation to address offending
- the number and complexity of special conditions to be complied with (eg attendance at programmes, non-association orders, residential/employment restrictions).

OUTPUT 2.4: PAROLE ORDERS

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

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of prisoners directed to complete a parole order:	1,244	1,451	1,100	351
QUALITY				
The percentage of offenders who comply with the special conditions imposed as part of their order to be no less than:	71%	69%	65%	4%

Comments

The number of prisoners directed to complete a parole order was 32 per cent above the forecast of 1,100. The number of prisoners directed to complete a parole order is determined by decisions made by the New Zealand Parole Board, and is beyond the ability of the Department to control. Despite the high volume of parole orders, offenders' compliance with special conditions were not compromised.

OUTPUT 2.5: ORDERS FOR POST-RELEASE CONDITIONS

This output entails a Probation Officer administering Post-release Conditions for prisoners with short sentences, as imposed by the judiciary at the time of sentencing.

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of prisoners released on post-release conditions imposed by the court:	4,819	4,867	5,250	(383)
QUALITY				
The percentage of offenders who comply with the conditions imposed as part of their order to be no less than:	67%	65%	65%	0%

Comments

The number of prisoners released on Post-release Conditions imposed by the court was 7 per cent below expectations. The number of prisoners released on Post-release Conditions is determined by decisions made by the Courts, and is beyond the ability of the Department to control.

OUTPUT 2.6: EXTENDED SUPERVISION ORDERS

This output entails the administering of an order imposed by the court, with conditions set by the New Zealand Parole Board to actively manage the long-term risks posed by high-risk child sex offenders in the community. The order can apply for up to 10 years following a finite term of imprisonment and is administered by a Probation Officer.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of offenders commencing an extended supervision order:	45	38	56	(18)
The number of offenders subject to an extended supervision order at 30 June:	62	91	168	(77)
QUALITY				
The percentage of offenders on extended supervision with a sentence plan prepared and managed to the standards in the relevant service description and the Community Probation Service Operations Manual to be no less than:	97%	80%	100%	(20%)

Comments

The number of offenders who commenced an Extended Supervision order was 32 per cent below forecast for the year. This volume is demand-driven and is dependent upon judicial decisions. The number of Extended Supervision orders applied for (and granted) can fluctuate, but due to the serious nature of the offending, the forecast is set to ensure the Department has the capacity to respond to cases as they arise.

The number of offenders subject to an Extended Supervision order on the reporting date was in line with the lower number of offenders commencing in order, and was also due to the number of Extended Supervision orders that were suspended when offenders were re-imprisoned (includes imprisonment on remand and on sentence for further criminal charges or breach of extended supervision).

Sentence management results were 20 per cent below the forecast of 100 per cent. While there were very few failures to action sentence plans to meet timeframes, the small number of new sentence plans for Extended Supervision means that these form a relatively high proportion. The small number of delayed sentence plans were due to increased volumes and pressure on timeframes; these delays were promptly addressed.

For the year ended 30 June 2007

OUTPUT CLASS 3 CUSTODY OF REMAND PRISONERS

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

It provides for an estimated throughput of 13,260 new remand prisoners, representing an average prison population of 1,633 remand prisoners, in the 2006/07 financial year. This demand is met by accommodating prisoners across remand facilities, with any overflow accommodated in segregated custodial facilities.

This output class primarily contributes to the Departmental outcome of 'protecting the public'.

OUTPUT CLASS STATEMENT: CUSTODY OF REMAND PRISONERS

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
REVENUE				
84,350	Crown	107,578	95,178	107,578
–	Other	–	–	–
84,350	Total Revenue	107,578	95,178	107,578
84,678	Total Expenses	103,919	95,178	107,578
(328)	Net Surplus / (Deficit)	3,659	–	–

OUTPUT 3.1: CUSTODY OF REMAND PRISONERS

This output entails the management of all remand prisoners (accused and convicted) in a custodial environment. It incorporates the costs of accommodation, security, transport, food and medical care, but not the cost of employment or other specific interventions.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The average number of remand prisoners:	1,342 ³	1,543 ⁴	1,633 ⁵	(90)
The number of Public Prisons Service remand prisoners comprises				
• Male remand prisoners:	new measure	1,422	1,509	(87)
• Female remand prisoners:	new measure	93	95	(2)
• Remand prisoners in the Young Offenders Units:	new measure	28	29	(1)
QUALITY				
The number of breakout escapes per annum to be:	1	3	n/a ⁶	n/a
The number of all other escapes per annum to be:	0	1	n/a ⁷	n/a

Comments

The average number of remand prisoners held in custody is influenced by rates of arrests and decisions of the judiciary and is outside the Department's control. The total average number of remand prisoners over the year was 6 per cent below forecast, with the latter reflecting the Ministry of Justice Prison Population Forecast.

Internal Audit and the Prison Inspectorate reviewed the circumstances of each escape, and the Department put in place their recommendations to ensure the risk of escapes under these circumstances is mitigated.

³ On average, a further 55 prisoners were held in Police and court cells.

⁴ On average, a further 65 prisoners were held in Police cells.

⁵ Derived from the Ministry of Justice Prison Population Forecast.

⁶ No forecast was included in the 2006/07 Statement of Intent.

⁷ No forecast was included in the 2006/07 Statement of Intent.

For the year ended 30 June 2007

OUTPUT CLASS 4 ESCORTS AND CUSTODIAL SUPERVISION

This output class provides for safe, secure and humane services and facilities for the transportation of prisoners to and from court, and their safe and humane custody while at court. Also included is the time Corrections Officers spend attending court hearings.

This output class primarily contributes to the Departmental outcome of 'protecting the public'.

OUTPUT CLASS STATEMENT: ESCORTS AND CUSTODIAL SUPERVISION

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
REVENUE				
8,323	Crown	9,972	9,054	9,972
–	Other	–	–	–
8,323	Total Revenue	9,972	9,054	9,972
7,976	Total Expenses	9,491	9,054	9,972
347	Net Surplus / (Deficit)	481	–	–

OUTPUT 4.1: ESCORT SERVICES

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of prisoners escorted to and from court in				
• Northland/Auckland (including Police escorts) ⁸ :	37,294	39,221	39,800 ¹⁰	(579)
• remainder of New Zealand (excluding Police escorts) ⁹ :	8,686	9,832	9,000	832
QUALITY				
The number of escapes by prisoners during escort to and from court:	3	0	n/a ¹¹	n/a

Comments

The forecast for the number of prisoners escorted to and from court in Northland/Auckland was revised mid-year with Ministerial approval to reflect the volumes outlined in the contract with the provider.

The number of prisoner escorts was 32 per cent above the revised forecast in Northland/Auckland and 9 per cent above forecast for the remainder of New Zealand. The number of prisoners escorted to and from court is initially influenced by rates of arrests and decisions of the judiciary and is outside the Department's control.

Despite the high volume of prisoners escorted, no prisoners escaped while on escort during the year.

OUTPUT 4.2: COURTROOM CUSTODIAL SUPERVISION SERVICES

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of prisoners supervised in courts in:				
• Northland/Auckland ¹² :	9,520	11,483	10,000 ¹⁴	(1,483)
• remainder of New Zealand ¹³ :	9,326	10,025	10,250	(225)
QUALITY				
The number of escapes by prisoners during escort to and from court:	1	0	n/a ¹⁵	n/a

Comments

The forecast for the number of prisoners supervised in courts in Northland/Auckland was revised mid-year with Ministerial approval to reflect the volumes outlined in the contract with the provider.

The number of prisoners supervised in courts was 54 per cent above the revised forecast in Northland/Auckland, while for the remainder of New Zealand the number of prisoners supervised in courts was 2 per cent below forecast. The number of prisoners supervised in courts is initially influenced by rates of arrests and decisions of the judiciary and is outside the Department's direct control.

Despite the high volume of prisoners supervised in courts in the Northland/Auckland region, no prisoners escaped during the year.

For the year ended 30 June 2007

OUTPUT CLASS 5 CUSTODIAL SERVICES

This output class covers the provision of custodial services and the administration of custodial sentences in safe, secure and humane conditions for both male and female prisoners classified as maximum, medium and minimum security. Youth under 18 years of age and vulnerable 18- to 19-year-olds will be housed in specialist Young Offenders Units. Also included are the management of other specialist facilities and the Department's drug reduction strategy.

It provides for an estimated throughput of 9,067 new prisoners, representing an average prison population of 5,898 sentenced prisoners, in the 2006/07 financial year. This requires the provision of beds and associated facilities to meet security, gender, age and other prisoner needs 24 hours a day.

This output class primarily contributes to the Departmental outcome of 'protecting the public'.

OUTPUT CLASS STATEMENT: CUSTODIAL SERVICES

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
REVENUE				
364,035	Crown	431,057	420,027	431,057
4,819	Departmental	6,015	5,529	5,529
368,854	Total Revenue	437,072	425,556	436,586
370,622	Total Expenses	435,910	425,556	436,586
(1,768)	Net Surplus / (Deficit)	1,162	–	–

Footnotes for page 86

⁸ Provided by Chubb New Zealand Limited.

⁹ Provided by the Public Prisons Service.

¹⁰ Ministerial approval was received to revise this performance standard to 29,760.

¹¹ No forecast was included in the 2006/07 Statement of Intent.

¹² Provided by Chubb New Zealand Limited.

¹³ Provided by the Public Prisons Service.

¹⁴ Ministerial approval was received to revise this performance standard to 7,440.

¹⁵ No forecast was included in the 2006/07 Statement of Intent.

OUTPUT 5.1: MAXIMUM SECURITY MEN

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The average number of maximum security sentenced prisoners:	68	63	61 ¹⁶	2
QUALITY				
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:	85%	71%	100%	(29%)
<ul style="list-style-type: none"> • on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action • assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available • the prisoner is placed into the appropriate work/programme • the prisoner attends the allocated work/programme • all information is recorded and filed on the prisoner's file • sentence management plans are reviewed as per the plan. 				
The number of breakout escapes per annum:	0	0	n/a ¹⁷	n/a
The number of all other escapes per annum:	0	0	n/a ¹⁸	n/a

Comments

The number of maximum security prisoners is initially influenced by rates of arrests and decisions of the judiciary. Thereafter the national system for security classification is objectively applied to all prisoners and actual numbers in each classification is largely outside the control of the Department.

The proportion of prisoners with sentence plans is lower than last year; however this difference represents only a small number of prisoners. The number of prisoners without a sentence plan included those who did not require a sentence plan or who for a variety of operational reasons had not yet received a plan (eg refused, sick, held off-site, psychologically unstable, witness protection etc).

¹⁶ Derived from the Ministry of Justice Prison Population Forecast.

¹⁷ No forecast was included in the 2006/07 Statement of Intent.

¹⁸ No forecast was included in the 2006/07 Statement of Intent.

OUTPUT 5.2: MEDIUM SECURITY MEN

This output provides for the safe, secure and humane confinement of adult male prisoners (excluding young offenders accommodated in the Department's Young Offenders Units) classified as high medium or low medium security. It incorporates the costs of accommodation, security, sentence management (including assessment), food and medical care.

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The average number of medium security sentenced prisoners:	2,700 ¹⁹	2,945	2,643 ²⁰	302
QUALITY				
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:				
	86%	89%	100%	(11%)
<ul style="list-style-type: none"> • on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action • assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available • the prisoner is placed into the appropriate work/programme • the prisoner attends the allocated work/programme • all information is recorded and filed on the prisoner's file • sentence management plans are reviewed as per the plan. 				
The number of breakout escapes per annum:	4	5	n/a ²¹	n/a
The number of non-returns from temporary release per annum:	0	0	n/a ²²	n/a
The number of all other escapes per annum:	3	2	n/a ²³	n/a

¹⁹ On average, a further 21 prisoners were held in Police and court cells.

²⁰ Derived from the Ministry of Justice Prison Population Forecast.

²¹ No forecast was included in the 2006/07 Statement of Intent.

²² No forecast was included in the 2006/07 Statement of Intent.

²³ No forecast was included in the 2006/07 Statement of Intent.

OUTPUT 5.2: MEDIUM SECURITY MEN (CONTINUED)**Comments**

The number of medium security prisoners is initially influenced by rates of arrests and decisions of the judiciary. Thereafter the national system for security classification is objectively applied to all prisoners and actual numbers in each classification is largely outside the control of the Department. The average number of medium security prisoners was 11 per cent above forecast levels, the latter reflecting the Ministry of Justice Prison Population Forecast.

The proportion of prisoners with sentence plans followed the trend from last financial year and was 11 per cent below forecast. The number of prisoners without a sentence plan included those who did not require a sentence plan or who for a variety of operational reasons had not yet received a plan (eg refused, sick, held off-site, psychologically unstable, witness protection etc). It is likely that prisoner population pressures also contributed to delays in completing sentence plans.

Internal Audit and the Prison Inspectorate reviewed the circumstances of each escape, and the Department put in place their recommendations to ensure the risk of escapes under these circumstances is mitigated.

OUTPUT 5.3: MINIMUM SECURITY MEN

This output provides for the safe, secure and humane confinement of adult male prisoners (excluding young offenders accommodated in the Department's Young Offenders Units) classified as minimum security. It incorporates the costs of accommodation, security, sentence management (including assessment), food and medical care.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The average number of minimum security sentenced prisoners:	2,746 ²⁴	2,718	2,754 ²⁵	(36)
QUALITY				
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:	91%	92%	100%	(8%)
<ul style="list-style-type: none"> on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action 				

QUALITY (CONTINUED)	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
<ul style="list-style-type: none"> • assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available • the prisoner is placed into the appropriate work/programme • the prisoner attends the allocated work/programme • all information is recorded and filed on the prisoner's file • sentence management plans are reviewed as per the plan. 				
The number of breakout escapes per annum:	3	0	n/a ²⁶	n/a
The number of non-returns from temporary release per annum:	1	0	n/a ²⁷	n/a
The number of all other escapes per annum:	5	7	n/a ²⁸	n/a

Comments

The forecast for the number of minimum security sentenced prisoners was revised mid-year to 2,745 with Ministerial approval to correct a typographical error in the 2006/08 Statement of Intent.

The number of minimum security prisoners is initially influenced by rates of arrests and decisions of the judiciary. Thereafter the national system for security classification is objectively applied to all prisoners and actual numbers in each classification is largely outside the control of the Department.

The proportion of prisoners with sentence plans continues to follow the trend from last financial year. The number of prisoners without a sentence plan included those who did not require a sentence plan or who for a variety of operational reasons had not yet received a plan (eg refused, sick, held off-site, psychologically unstable, witness protection etc).

Internal Audit and the Prison Inspectorate reviewed the circumstances of each escape, and the Department put in place their recommendations to ensure the risk of escapes under these circumstances is mitigated.

²⁴ On average, a further 10 prisoners were held in Police and court cells.

²⁵ Ministerial approval was received to revise this performance standard to 2,745. Derived from the Ministry of Justice Prison Population Forecast.

²⁶ No forecast was included in the 2006/07 Statement of Intent.

²⁷ No forecast was included in the 2006/07 Statement of Intent.

²⁸ No forecast was included in the 2006/07 Statement of Intent.

OUTPUT 5.4: WOMEN

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The average number of medium security sentenced prisoners:	114	130	104	26
The average number of minimum security sentenced prisoners:	236	242	214	28
The average number of female sentenced prisoners:	350	372	318²⁹	54
QUALITY				
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:				
	75%	97%	100%	(3%)
<ul style="list-style-type: none"> on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available the prisoner is placed into the appropriate work/programme the prisoner attends the allocated work/programme all information is recorded and filed on the prisoner's file sentence management plans are reviewed as per the plan. 				
The number of breakout escapes per annum:	0	0	n/a ³⁰	n/a
The number of non-returns from temporary release per annum:	0	0	n/a ³¹	n/a
The number of all other escapes per annum:	0	1	n/a ³²	n/a

²⁹ Derived from the Ministry of Justice Prison Population Forecast.

³⁰ No forecast was included in the 2006/07 Statement of Intent.

³¹ No forecast was included in the 2006/07 Statement of Intent.

³² No forecast was included in the 2006/07 Statement of Intent.

Comments

The number of female prisoners is initially influenced by rates of arrests and decisions of the judiciary. Thereafter the national system for security classification is objectively applied to all prisoners. The average number of female prisoners was 17 per cent above forecast levels, the latter reflecting the Ministry of Justice Prison Population Forecast.

The proportion of prisoners with sentence plans has improved on last year as a result of improved sentence planning resources associated with the opening of the Auckland Region Womens' Corrections Facility.

Internal Audit and the Prison Inspectorate reviewed the circumstances of this escape, and the Department put in place their recommendations to ensure the risk of escapes under these circumstances is mitigated.

OUTPUT 5.5: MALE YOUTH

This output provides for the safe, secure and humane confinement of sentenced male youth prisoners under 18 years of age and vulnerable 18- to 19- year-olds, accommodated in the Department's Young Offender Units (except those classified maximum security). It incorporates the costs of accommodation, security, sentence management (including assessment), food and medical care.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The average number of medium security sentenced male youth prisoners:	new measure	56	82	(26)
The average number of minimum security sentenced male youth prisoners:	new measure	37	50	(13)
The average number of male sentenced youth prisoners held in the Young Offender Units:	118	93	132³³	(39)
QUALITY				
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:				
	92%	93%	100%	(7%)
<ul style="list-style-type: none"> on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action 				

³³ Derived from the Ministry of Justice Prison Population Forecast.

OUTPUT 5.5: MALE YOUTH (CONTINUED)

QUALITY (CONTINUED)	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
<ul style="list-style-type: none"> • assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available • the prisoner is placed into the appropriate work/programme • the prisoner attends the allocated work/programme • all information is recorded and filed on the prisoner's file • sentence management plans are reviewed as per the plan. 				
The number of breakout escapes per annum from Young Offender Units:	0	0 ³⁴	n/a ³⁵	n/a
The number of all other escapes per annum from Young Offender Units:	0	0	n/a ³⁶	n/a

Comments

The number of male youth prisoners is initially influenced by rates of arrests and decisions of the judiciary. Thereafter the national system for security classification is objectively applied to all prisoners. The average number of male youth prisoners was 30 per cent below forecast levels, the latter reflecting the Ministry of Justice Prison Population Forecast.

The proportion of prisoners with sentence plans continued to follow the trend from the last financial year. The number of prisoners without a sentence plan included those who did not require a sentence plan or who for a variety of operational reasons had not yet received a plan (eg refused, sick, held off-site, psychologically unstable, witness protection etc).

³⁴ As reported in Output 3.1, there were two breakout escapes by remand male youth prisoners from Young Offender Units.

³⁵ No forecast was included in the 2006/07 Statement of Intent.

³⁶ No forecast was included in the 2006/07 Statement of Intent.

OUTPUT 5.6: DRUG REDUCTION

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of general random drug screening tests carried out to be no less than:	3,423	3,451	3,744	(293)
The number of random drug screening tests carried out on prisoners returning from temporary release to be no less than:	313	282	364	(82)
The number of random drug screening tests carried out on identified drug users to be no less than:	1,961	1,970	2,340	(370)
The number of other drug screening tests carried out to be no less than: ³⁷	6,020	6,733	5,638	1,095
QUALITY				
The annual average percentage of general random drug screening tests producing a positive result to be no more than:	15%	13%	16%	(3%)
The annual average percentage of random drug screening tests of prisoners returning from temporary release producing a positive result:	11%	10%	n/a ³⁸	n/a
The annual average percentage of random drug screening tests of identified drug users producing a positive result:	31%	26%	n/a ³⁹	n/a
The annual average percentage of other drug screening tests producing a positive result:	new measure	19%	n/a ⁴⁰	n/a

Comments

Total drug screening tests carried out on prisoners exceeded forecast by 350 tests (3 per cent), and tests other than random tests exceeded forecast by almost 20 per cent. Volumes of these 'other' tests, which are carried out on reasonable grounds or on a voluntary basis, made up over 50 per cent of all tests. The increased number of 'other' tests result from greater focus on prisoners being drug- and alcohol-free to allow their participation in employment and self-care activities.

Lower test volumes than forecast amongst random test categories were affected by a sampling error, and although the issue was resolved the number of tests performed on prisoners in these categories did not meet forecast.

The average percentage of general random drug screening tests that returned a positive result was 13 per cent. This was 3 per cent below the target of 16 per cent, and 2 per cent below the 2005/06 average of 15 per cent. The result for random tests on prisoners returning from temporary release was 10 per cent, 1 per cent lower than 2005/06, while the average for random tests on identified drug users was 26 per cent, 5 per cent below the previous year. These improved results can be attributed to the greater influence of drug reduction activities within prisons.

³⁷ Other drug screening tests are defined as those undertaken on reasonable grounds or on a voluntary basis.

³⁸ No forecast was included in the 2006/07 Statement of Intent.

³⁹ No forecast was included in the 2006/07 Statement of Intent.

⁴⁰ No forecast was included in the 2006/07 Statement of Intent.

For the year ended 30 June 2007

OUTPUT CLASS 6 PRISONER EMPLOYMENT

Prisoner employment contributes to reducing re-offending by providing remand and sentenced prisoners with the opportunity to gain work experience and improve their work habits and skills. Prisoners are also provided with the opportunity to undertake training toward recognised qualifications and work experience that improves their chances of obtaining sustainable post-release employment, which reduces the likelihood of their re-offending.

Over time, prisoner employment aims to provide all prisoners eligible and available for work with 1,410 hours per year of work training experience. This includes providing on-the-job employment training, vocational training, release-to-work opportunities and reintegration assistance. In the 2006/07 financial year the target was a total of 5.2 million hours of prisoner employment and the achievement of a total of 5,000 NZQA unit standards.

This output class primarily contributes to the Departmental outcome of 'reducing re-offending'.

OUTPUT CLASS STATEMENT: PRISONER EMPLOYMENT

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
REVENUE				
9,229	Crown	11,788	8,065	11,788
25,248	Other	28,698	25,998	27,998
34,477	Total Revenue	40,486	34,063	39,786
37,574	Total Expenses	39,158	34,063	39,786
(3,097)	Net Surplus / (Deficit)	1,328	–	–

OUTPUT 6.1: LAND-BASED ACTIVITIES

This output relates to the provision of employment hours and the delivery of NZQA unit standards to prisoners who work in farming, forestry, horticulture and other land-based activities.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours worked by prisoners employed in land-based activities:	791,865	791,046	788,190	2,856
The number of NZQA unit standards achieved:	new measure	1,456	1,914	(458)
QUALITY				
The number of hours of prisoner employment per NZQA unit standard delivered:	308	543	412	131

Comments

Land-based employment hours for the year were within expectations. However, the number of NZQA unit standards achieved was 24 per cent below forecast as a result of the Department's instructors undergoing training to become registered as assessors for NZQA unit standards. Land-based assessments were previously contracted through an external provider, but this arrangement ceased during the year and instructors are being fully trained as assessors to enable the delivery of NZQA unit standards to continue.

OUTPUT 6.2: MANUFACTURING ACTIVITIES

This output relates to the provision of employment hours and the delivery of NZQA unit standards to prisoners who work in manufacturing, construction and labour-only services.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours worked by prisoners employed in manufacturing activities:	818,293	807,954	826,260	(18,306)
The number of NZQA unit standards achieved:	new measure	1,695	712	983
QUALITY				
The number of hours of prisoner employment per NZQA unit standard delivered:	761	477	1,160	(683)

Comments

Manufacturing employment hours for the year were within expectations. However, the number of NZQA unit standards achieved was significantly higher than forecast due to more instructors qualified as assessors, enabling the delivery of more NZQA unit standards. Because more NZQA unit standards were achieved while employment hours were close to forecast, the number of hours of employment per unit standard achieved was significantly below forecast.

OUTPUT 6.3: INTERNAL SERVICE SELF-SUFFICIENCY ACTIVITIES

This output relates to the provision of employment hours and the delivery of NZQA unit standards to prisoners who work in internal self-sufficiency activities including:

- kitchens and laundry
- cleaning
- prison asset maintenance.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours worked by prisoners in internal self-sufficiency activities:				
• Public Prisons Service:	2,294,604	2,379,149	2,070,000	309,149
• Corrections Inmate Employment:	1,248,446	1,435,154	1,277,460	157,694
The total number of hours worked by prisoners in internal self-sufficiency activities:	3,543,050	3,814,303	3,347,460	466,843
The number of NZQA unit standards achieved by prisoners engaged in Corrections Inmate Employment activities:	new measure	3,309	1,724	1,585
QUALITY				
The number of hours of prisoner employment per NZQA unit standard delivered, in respect of Corrections Inmate Employment activities:	651	434	741	(307)

Comments

Self-sufficiency employment hours provided by Corrections Inmate Employment (CIE) were significantly higher than anticipated (12 per cent above forecast) due to a combination of new prisons generating more work than anticipated, plus an initiative to engage more prisoners in employment through supplementary training.

The number of unit standards achieved exceeded forecast by 92 per cent and resulted in a very positive variance in the number of hours of prisoner employment per NZQA standard delivered. An increased focus on delivering measurable training outcomes was more successful than anticipated, bringing as many of our instructors as possible up to assessor status to allow them to assess prisoners against NZQA standards.

Within the Prisons Service, the number of hours worked by prisoners on internal self-sufficiency activities exceeded forecast by 15 per cent. This was mainly due to the greater focus on increasing prisoner employment as part of the Prisoner Employment Strategy.

OUTPUT 6.4: RELEASE TO WORK

This output relates to employment undertaken by minimum security prisoners in workplaces outside the prison. This programme allows prisoners nearing their release date and who meet the eligibility criteria to be temporarily released during the day to work.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours worked by prisoners on release to work activities:	39,665	157,613	112,800	44,813

Comments

Release to work employment hours were 40 per cent higher than anticipated. This growth was supported by the roll-out of the national system (guidelines) for release to work. Over 400 prisoners went through the programme during the 2006/07 financial year.

Growth was achieved because additional staff positions were approved (release to work Case Managers and Coordinators) to help improve the supply of both pre-approved prisoners and vacancies. Further resources are being added to increase the number of prisoners participating in the release to work programme.

OUTPUT 6.5: VOCATIONAL TRAINING SERVICES

This output provides prisoners with training activities that improve their chances of gaining sustainable post-release employment. It includes additional training beyond that level (which may involve certification for an externally recognised qualification that is not required for prisoner employment purposes), and can include training not related to the prisoner employment needs for particular prisoners. It excludes any training delivered in the workplace. In all cases, the successful completion of the training must result in the achievement of an externally recognised qualification.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners are engaged in vocational training activities				
• Public Prisons Service:	new measure	22,828	23,250	(422)
• Corrections Inmate Employment:	new measure	30,913	17,760	13,153
The total number of hours prisoners are engaged in vocational training activities:	new measure	53,741	41,010	12,731
The number of prisoners who commence training towards the achievement of an externally recognised qualification				
• Public Prisons Service:	1,428	1,150	1,550	(400)
• Corrections Inmate Employment:	199	152	74	78
The total number of prisoners who commence training towards the achievement of an externally recognised qualification:	1,627	1,302	1,624	(322)
QUALITY				
The percentage of prisoners undertaking training activities conducted by the Department who receive an externally recognised qualification to be no less than: ⁴¹				
• Public Prisons Service:	62%	65%	40%	25%
• Corrections Inmate Employment:	18%	47%	40%	7%

Comments

Vocational training hours provided by Corrections Inmate Employment (CIE) and the number of prisoners who commenced training were significantly higher than anticipated (74 per cent above forecast) due to an improved prisoner selection process. This also contributed to an increase in the percentage of eligible prisoners who received an externally recognised qualification. The achievement of externally recognised qualifications for vocational training is higher than other CIE activities because tutors can target a full National Certificate qualification.

Within the Prisons Service, the number of prisoners commencing training toward an external qualification was limited due to a delay in the sourcing and setup of prison computer suites. Despite this, a very positive result was achieved in the percentage of prisoners who received an externally recognised qualification due to the fact that many of the courses offered are of short duration, and are thus attractive to prisoners.

⁴¹ An externally recognised qualification is a NZQA unit standard or, where no unit standard exists, one that is a recognised equivalent standard. A recognised equivalent standard is a document that attests that a prisoner has passed either all components of a defined course of study, or a module or unit associated with the partial completion of that course of study.

OUTPUT 6.6: COMMUNITY SERVICES

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours worked by prisoners on community service activities:	32,992	79,766	68,000	11,766
The average number of prisoners engaged on community service activities:	40	70	68	2

Comments

The number of hours worked by prisoners on community services exceeded forecast by 17 per cent due to an increased focus on identifying suitable prisoners to undertake community work, and improved availability of supervisory custodial staff.

For the year ended 30 June 2007

OUTPUT CLASS 7 REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

This output class provides:

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

This output class primarily contributes to the Departmental outcome of 'reducing re-offending'.

OUTPUT CLASS STATEMENT: REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
REVENUE				
47,969	Crown	47,489	47,239	47,489
1,107	Departmental	1,454	–	–
49,076	Total Revenue	48,943	47,239	47,489
45,802	Total Expenses	46,126	47,239	47,489
3,274	Net Surplus / (Deficit)	2,817	–	–

OUTPUT 7.1: RESPONSIVITY/MOTIVATIONAL PROGRAMMES

This output entails the delivery of Short Motivational programmes, Tikanga Māori and faith-based programmes. Attendance at these programmes improves an offender's responsivity or motivation to address identified criminogenic needs. Specific programmes include:

- Short Motivational programmes, which are delivered to medium-risk short-serving sentenced prisoners (those sentenced to under two years). These programmes are a structured four-session intervention, based on the therapeutic techniques of motivational interviewing. They are designed to be delivered to individual offenders by a single facilitator
- Tikanga Māori programmes, which are delivered to community-based offenders, remand and sentenced prisoners (including youth in the Department's Young Offenders Units). These programmes are designed to use Māori philosophy, values, knowledge and practices to increase motivation for offenders to address their offending behaviour
- Christian-based programmes, which are delivered in the Faith-based Unit at Rimutaka Prison.

SHORT MOTIVATIONAL PROGRAMMES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending a Short Motivational Programme:	new measure	325	800 ⁴²	(475)
The number of prisoners who start a Short Motivational Programme:	new measure	96	200 ⁴³	(104)
QUALITY				
The percentage of prisoners who start and complete a Short Motivational Programme to be no less than:	new measure	88%	65%	23%

Comments

Forecasts for the number of hours prisoners spend attending short motivational programmes and the number of prisoners starting a short motivational programme were revised to 400 and 100 respectively. The reforecast was carried out mid-year and was agreed with the Minister due to less programmes able to be delivered and less eligible prisoners than expected.

The number of hours prisoners spent attending a short motivational programme was below the revised forecast. The forecast for this measure was based on 100 per cent attendance and programmes running at full capacity, and did not take into consideration offenders who voluntarily remove themselves from the programme or offenders who are removed from the programme. These factors have been reflected in the forecast for the 2007/08 financial year.

The programme completion rate was very positive with a 23 per cent higher completion rate than forecast. Completion rates are influenced by a wide range of variables that are not easily quantifiable which makes it difficult to attribute the impact of any one particular factor to the overall positive result. These factors can include offender motivation and improved targeting of offenders.

⁴² Ministerial approval was received to revise this performance standard to 400.

⁴³ Ministerial approval was received to revise this performance standard to 100.

TIKANGA MĀORI PROGRAMMES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of offenders who start a Tikanga Māori programme				
• Prisoners:	991	868	1,053	(185)
• Community-based offenders:	632	624	523	101
QUALITY				
The percentage of offenders who start and complete a Tikanga Māori programme to be no less than				
• Prisoners:	93%	92%	90%	2%
• Community-based offenders:	70%	68%	65%	3%

Comments

The number of prisoners who started a programme was below forecast by 18 per cent. Class sizes were smaller than expected due to prisoners withdrawing from the programme or a change in their suitability status such as IDU (identified drug user), security classification or transfer. However, the completion rate for prisoners completing the programme remained high.

The number of community-based offenders starting a Tikanga Māori programme was above forecast due to an increase in programme availability. The forecast for this measure has been increased for the next financial year to reflect this.

FAITH-BASED UNIT

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending a faith-based programme at Rimutaka Prison:	new measure	18,615	6,048 ⁴⁴	12,567
QUALITY				
The percentage of prisoners who start and complete a faith-based programme at Rimutaka Prison to be no less than:	new measure	95%	90%	5%

Comments

The forecast for the number of hours prisoners spend attending a faith-based programme was revised mid-year to 16,048 with Ministerial approval to correct a typographical error in the 2006/07 Statement of Intent.

The number of hours prisoners spent attending a faith-based programme at the Faith-based Unit exceeded the revised forecast by 16 per cent due to increased levels of programme activity in the Unit as prescribed in the contract with the external provider⁴⁵.

⁴⁴ Ministerial approval was received to revise this performance standard to 16,048.

⁴⁵ The Prison Fellowship of New Zealand is contracted to the Department of Corrections for the delivery of programme services in the Faith-based Unit.

OUTPUT 7.2: CRIMINOGENIC PROGRAMMES

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

Programmes include:

- sex offender treatment programmes, for prisoners convicted of sex offending against children. The programmes include special treatment units at Kia Marama in Christchurch Prison and Te Piriti in Auckland Prison
- violence prevention programmes, including the delivery of group-based treatment to violent offenders in the male Violence Prevention Special Treatment Unit at Rimutaka Prison and the Pacific violence prevention programme
- FOCUS, a youth offender programme designed to develop cognitive behavioural reasoning for effective social interaction
- Māori therapeutic programmes delivered in Māori Focus Units and at the Northland Regional Corrections Facility
- relapse prevention programmes for those offenders who complete medium intensity multiple needs and intensive criminogenic programmes, as well as violence prevention programmes and Māori therapeutic programmes
- substance abuse programmes to highly recidivist offenders with identified alcohol and drug-related needs. The output includes the delivery of alcohol and drug treatment programmes within special treatment units
- medium intensity criminogenic programmes, including Structured Individual Programmes (SIP)
- intensive criminogenic programmes delivered in a dedicated prison unit for high-risk offenders.

SEX OFFENDER TREATMENT PROGRAMMES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending a programme at				
• Kia Marama:	12,999	17,043	12,500	4,543
• Te Piriti:	13,075	14,189	12,500	1,689
The number of prisoners who start a programme at				
• Kia Marama:	40	55	40	15
• Te Piriti:	47	47	40	7
QUALITY				
The percentage of prisoners who start and complete a programme to be no less than				
• Kia Marama:	new measure	98%	95%	3%
• Te Piriti:	new measure	96%	95%	1%

QUALITY (CONTINUED)	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The percentage of programmes completed at Kia Marama and Te Piriti where all the following components described in the service description were completed:	100%	100%	100%	0%
<ul style="list-style-type: none"> • norm building • construction of offence chain incorporating challenging cognitive distortion • sexual arousal reconditioning • victim impact and empathy • social skills, relationship skills and sex education • mood, anger and stress management and problem solving • relapse prevention • release planning. 				

Comments

At Kia Marama, programme hours and the number of prisoners who started a programme were both above forecast. An extra group was run to accommodate higher levels of referrals who needed to enter treatment with sufficient time to complete the programme before release.

At Te Piriti, programme hours and the number of prisoners who started a programme were also above forecast. Two groups were run with an additional prisoner in each group to enable those prisoners to be treated. Additional sessions were also required with the introduction of rolling groups. The adapted group for intellectually challenged prisoners enabled prisoners who would have difficulty keeping up in a standard programme to be treated.

VIOLENCE PREVENTION PROGRAMMES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending a violence prevention programme at Rimutaka Prison:	8,714	7,376	7,700	(324)
The number of prisoners who start a violence prevention programme at Rimutaka Prison:	30	30	30	0
QUALITY				
The number of violence prevention programmes completed at Rimutaka Prison:	3	3	3	0
The percentage of offenders who start and complete a violence prevention programme at Rimutaka Prison to be no less than:	73%	83%	70%	13%

Comments

Completion rates at the Violence Prevention Unit were 13 per cent above projected levels due to implementation of a better assessment process which more accurately gauges motivation, and consequently ensures better engagement in the therapeutic process. The programme has also been enhanced and it is believed that the programme is now more effective at securing the engagement of participants.

FOCUS PROGRAMMES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of FOCUS programme hours provided to young offenders:	3,553	3,609	4,080	(471)
The number of young offenders who start a FOCUS programme:	189	272	145	127
QUALITY				
The percentage of young offenders assessed as appropriate to be engaged in an FOCUS programme who participate in a FOCUS programme:	67%	100%	98%	2%

Comments

The number of young offenders who started a FOCUS programme was 88 per cent above forecast. However, the number of FOCUS programme hours provided to young offenders was below forecast due to a significant proportion of new offenders being transferred out of the Young Offender Unit during the course of a programme. This resulted in a reduced number of sessions being delivered.

MĀORI THERAPEUTIC PROGRAMMES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending Māori therapeutic programmes:	12,117	14,835	12,600	2,235
The number of prisoners who start a Māori therapeutic programme:	137	173	140	33
QUALITY				
The percentage of prisoners who start and complete Māori therapeutic programmes to be no less than:	58%	92%	80%	12%

Comments

An increase in eligible and interested prisoners in this programme resulted in full classes and the delivery of additional programmes. This in turn resulted in the number of prisoners who started the programme and the number of hours delivered exceeding forecast by 24 per cent and 18 per cent respectively.

RELAPSE PREVENTION PROGRAMMES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of offenders who attend a relapse prevention programme:	new measure	300	350	(50)

Comments

Maintenance groups were made available to offenders who had completed a criminogenic programme pending the development of the relapse prevention programme which was originally expected to begin in early 2007. The figure reported is the number of offenders who participated in a maintenance group.

The number of offenders who attended a maintenance group was below forecast due to a number of factors. As a result of difficulty in recruiting facilitators, groups were unable to be delivered in the Hamilton region. In addition, a lack of appropriate facilities in Christchurch Prison resulted in the postponement of maintenance group delivery in this area.

The new relapse prevention programme is being finalised and is due to become operational in 2007/08. It will be delivered to offenders who have completed the new medium-intensity programme and other rehabilitation programmes.

SUBSTANCE ABUSE PROGRAMMES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending a substance abuse programme in a Drug Treatment Unit:	new measure	53,572	61,689	(8,117)
The number of prisoners who start a substance abuse programme in a Drug Treatment Unit:	new measure	226	132	94
QUALITY				
The percentage of prisoners who start and complete a substance abuse programme in a Drug Treatment Unit:	new measure	33%	75%	(42%)

Comments

The number of prisoners who started a programme, and the number of hours spent attending a programme increased with the opening of the Christchurch and Hawkes Bay Drug Treatment Units. The number of hours spent attending substance abuse programmes was below forecast due to the gradual build up of prisoners attending programmes associated with programme schedules and the availability and suitability of prisoners.

The low completion rate reflects that many prisoners are still engaged in treatment and have not yet completed the programme.

INTENSIVE CRIMINOGENIC PROGRAMMES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending an Intensive Criminogenic Programme:	new measure	130	6,000 ⁴⁶	(5,870)
The number of prisoners who start an Intensive Criminogenic Programme:	new measure	9	20 ⁴⁷	(11)
QUALITY				
The percentage of offenders who start and complete an Intensive Criminogenic Programme to be no less than:	new measure	n/a ⁴⁸	75%	n/a

Comments

Forecasts for the number of hours prisoners spend attending an intensive criminogenic programme and the number of prisoners who start an intensive criminogenic programme were revised mid-year with Ministerial approval to reflect the number of programme hours that would fall in the 2007/08 year and an expected reduction in the number of offenders attending these programmes.

Design work for the intensive criminogenic programme was completed on schedule. The programme commenced with assessment of prisoners for the pilot programme, and nine of the ten participants were selected. The number of hours prisoners spent attending an Intensive Criminogenic programme was below the revised forecast due to the programme beginning later than expected and still being in very early stages at the time of reporting.

⁴⁶ Ministerial approval was received to revise this performance standard to 1,300.

⁴⁷ Ministerial approval was received to revise this performance standard to 10.

⁴⁸ A completion rate will be available when the pilot programme completes in 2007/08.

OTHER CRIMINOGENIC PROGRAMMES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours offenders spend attending a criminogenic programme				
• Prisoners:	new measure	44,520	30,600 ⁴⁹	13,920
• Community-based offenders:	34,290	12,438	24,375 ⁵⁰	(11,937)
The number of offenders who start a criminogenic programme				
• Prisoners:	new measure	482	387 ⁵¹	95
• Community-based offenders:	539	356	445 ⁵²	(89)
QUALITY				
The percentage of offenders who start and complete a criminogenic programme to be no less than				
• Prisoners:	new measure	85%	75%	10%
• Community-based offenders:	65%	54%	65%	(11%)

Comments

Forecasts for the number of hours offenders spend attending a criminogenic programme and the number of offenders who start a criminogenic programme were revised mid-year with Ministerial approval to reflect changes in the split between programme delivery to prisoners and community-based offenders.

Prisoners attended more sessions than expected resulting in higher than forecast attendance hours and improved completion rates. A wide range of factors can influence an increase in attendance hours and improved completion rates. These can include offender motivation and improved targeting of offenders.

Attendance hours and completion rates for community-based offenders were both below the revised forecast. The delivery of the short rehabilitation programme in place of the medium intensity rehabilitation programme contributed to this result. Also, four programmes were stopped due to issues within these groups.

⁴⁹ Ministerial approval was received to revise this performance standard to 35,734.

⁵⁰ Ministerial approval was received to revise this performance standard to 19,241.

⁵¹ Ministerial approval was received to revise this performance standard to 462.

⁵² Ministerial approval was received to revise this performance standard to 370.

OUTPUT 7.3: OTHER REHABILITATIVE PROGRAMMES AND ACTIVITIES

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

This comprises:

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours offenders spend attending other rehabilitative programmes funded by Probation and Offender Services:	143,539	156,870	110,000	46,870
QUALITY				
The percentage of offenders who start and complete other rehabilitative programmes funded by Probation and Offender Services to be no less than:	54%	52%	65%	(13%)

Comments

The number of hours offenders spent attending other rehabilitative programmes was 43 per cent above forecast for the year. A wide range of factors can influence an increase in attendance hours. These can include offender motivation and improved targeting of offenders.

Completion rates were 13 per cent below forecast and, like other years, were driven by high exit rates from domestic violence programmes most commonly due to non-attendance.

OUTPUT 7.4: EDUCATION AND TRAINING

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

Other general education activities include:

- English as a Second Language (ESOL)
- remedial reading
- numeracy and literacy courses and
- secondary education.

NATIONAL CERTIFICATE IN EMPLOYMENT SKILLS

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending a module under the NCES:	152,409	134,831	233,006	(98,175)
QUALITY				
The percentage of prisoners who start and complete a module under the NCES to be no less than:	94%	95%	90%	5%

Comments

Attendance hours for NCES were 42 per cent below forecast primarily due to smaller than planned class sizes, the necessity to appropriately stream prisoners into homogenous educational groups, and low prisoner demand and participation rates. Demand has tended to be towards general education rather than NCES as a result of the increased focus on foundation learning. Although the number of NCES hours delivered was less than forecast, 308 prisoners achieved the NCES qualification and 27,814 national standard credits were achieved.

GENERAL EDUCATION

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending a general education course:	new measure	140,850	97,000	43,850
QUALITY				
The percentage of prisoners who start and complete a general education course to be no less than:	new measure	n/a ⁵³	90%	n/a

Comments

The number of hours prisoners spent attending general education reflects a high level of demand as a result of the increased focus on foundation learning.

⁵³ There is no defined completion time for general education courses, therefore it is difficult to accurately gauge completion rates.

OUTPUT 7.5: REINTEGRATION SERVICES

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

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

WHĀNAU LIAISON SERVICE

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of offenders and their families/whānau receiving the whānau liaison service to be no less than:	351	376	312	64
QUALITY				
The percentage of offenders and their families/whānau receiving the whānau liaison service for which an action plan is developed to be no less than:	82%	100%	100%	0%

Comments

The number of offenders and their families/whānau receiving this service exceeded target by 21 per cent due to the high demand for this service by prisoners and/or their families/whānau.

REINTEGRATIVE SERVICES - AS PROVIDED BY THE PUBLIC PRISON SERVICE

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours offenders spend attending a reintegrative programme:	24,587	26,445	36,933	(10,488)
The number of prisoners who start a reintegrative programme delivered by the Public Prisons Service:	new measure	1,022	662	360
QUALITY				
The percentage of prisoners who start and complete a reintegrative service delivered by the Public Prisons Service to be no less than:	new measure	75%	90%	(15%)

Comments

The number of prisoners who started a reintegrative programme was 54 per cent above forecast due to an increase in the number of programmes offered. Programme delivery hours were 28 per cent below forecast largely as a result of prisoners transferring, withdrawing or being withdrawn from the programme or being released from prison. There was also a change in the measurement of programme contact time that will result in a reduction in hours next year with no change to programme availability.

REINTEGRATIVE SERVICES - AS PROVIDED BY THE NEW ZEALAND PRISONERS' AID AND REHABILITATION SOCIETY (NZPARS)

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of support service hours provided to be no more than:	42,236	51,471	42,248	9,223
The number of offenders referred to NZPARS:	new measure	23,853 ⁵⁴	24,000	(147)
QUALITY				
The percentage of referrals (urgent or otherwise) to NZPARS per month acknowledged within five working days of receipt to be no less than:	100%	100%	95%	5%

Comments

NZPARS continued to meet its obligations outlined in the Corrections/NZPARS 2004/2007 contract. The reintegrative support service hours provided by NZPARS were 22 per cent above those purchased by the Department (which the forecast reflects). This is due to the reintegrative services NZPARS provided outside the contract (at no additional cost to the Department).

REINTEGRATIVE SERVICES - SUPPORTED ACCOMMODATION INITIATIVES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of offenders receiving the service to be:	8	37	40	3
QUALITY				
The percentage of offenders who start and complete a supported accommodation service to be no less than:	100%	94%	65%	29%

Comments

Offenders complete the supported accommodation service when they are able to live independently, have their own accommodation and are no longer supported by the service. Offenders are not considered to have completed the service if they have absconded or been recalled to prison.

The number of offenders receiving the service was below forecast for the year due to slower than expected property acquisition. The suitability of each property for offenders receiving the service is important and can be difficult to obtain.

The supported accommodation service completion rate continued to be higher than expected. This result is influenced by a wide range of variables which are difficult to quantify and cannot be attributed to any one factor. These variables can include:

- individual offender characteristics, for example, age, offending history, current personal circumstances, motivation to address offending
- the number and complexity of special conditions to be complied with (eg attendance at programmes, non-association orders, residential/employment restrictions).

⁵⁴ This number reflects the number of referrals to NZPARS, not the number of offenders referred.

OUTPUT 7.6: COMMUNITY RESIDENTIAL CENTRES

This output entails offenders' attendance at community residential centres to address rehabilitative and reintegrative needs.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of offenders directed to attend a community residential centre:	72	63	82	(19)
The number of psychologist hours provided to Montgomery House:	916	871	740 ⁵⁵	(131)
QUALITY				
The percentage of offenders who successfully undertake a community residential centre order to be no less than:	68%	65%	60%	5%
The percentage of post-programme assessments for Montgomery House programmes completed by a psychologist to be no less than:	100%	100%	100%	0%

Comments

The forecast for the number of psychologist hours provided to Montgomery House was revised and agreed with the Minister mid-year. The forecast was revised to 900 to reflect the increased input required from psychologists to meet the complex needs of offenders.

There are three centres currently in operation nationwide; Montgomery House in Hamilton, Te Ihi Tū in New Plymouth and the Salisbury Street Foundation in Christchurch. As part of the Department's contractual agreement, psychological services are provided to offenders attending Montgomery House.

The number of offenders directed to attend a Community Residential Centre was 23 per cent below forecast for the 2006/07 financial year. A lack of referrals and suitable candidates for Te Ihi Tū has seen the centre not running at full capacity throughout the year. The assessment criteria are currently being investigated to enable these issues to be addressed in 2007/08.

The programme at Salisbury Street differs from the programmes run by other Community Residential Centres in that it is an open programme that can last between 6 and 24 months, which results in a rolling start date for offenders. This rolling start date has resulted in lower than forecast volumes in this output.

⁵⁵ Ministerial approval was received to revise this performance standard to 900.

OUTPUT 7.7: PROVISION OF PSYCHOLOGICAL SERVICES**PSYCHOLOGICAL SERVICES**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of psychological consultation hours provided to the:				
• Public Prisons Service:	12,293	15,183	10,500	4,683
• Community Probation Service:	10,872	10,453	11,400	(947)
• Community Probation Service (extended supervision):	176	434	468	(34)
The number of psychological reports provided to the				
• Public Prisons Service:	1,232	725	885	(160)
• Community Probation Service:	1,197	1,010	916	94
QUALITY				
The percentage of psychological consultations that meet the following standards to be no less than:	100%	100%	95%	5%
• a structured offender assessment interview is conducted				
• confidentiality and consent issues are explained				
• relevant history is obtained				
• assessment measures are used (as appropriate)				
• problems are presented clearly formulated				
• treatment goals are specified (addressing assessed problems)				
• appropriate interventions are used (based on current literature)				
• adequate case notes are recorded for all sessions				
• records are kept of ongoing measures or observations to monitor interventions				
• assessment and treatment reports are completed and delivered.				

QUALITY (CONTINUED)	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The percentage of psychological reports that meet the following standards to be no less than:	100%	100%	95%	5%
<ul style="list-style-type: none"> • concise, logical and grammatically correct • source and reason for referral are clearly stated • all relevant and appropriate information is included • sources of information are well documented and verified • clear statements of recommendations for further interventions • complies with the Psychologists' Code of Ethics. 				

Comments

The number of psychological consultation hours provided to the Public Prison Service was 45 per cent above forecast. The increase in hours was due to psychologists providing consultation within group programmes, resulting in the provision of consultation hours to a greater number of offenders. The rape group pilot and a Kowhiritanga programme were the two main group programmes delivered.

Community Probation Service consultation hours were 8 per cent below forecast largely as a consequence of additional resources provided to high-risk, high-profile offenders in the prison setting who were required to receive services prior to their release, and also an increased emphasis on assessment and reporting for Community Probation Service offenders.

Consultation hours provided for extended supervision treatment hours were 7 per cent below forecast. This result was demand-driven as only small number of high-risk offenders on Extended Supervision were directed to undertake psychological treatment.

The number of consultation hours provided per report varies widely. Emphasis on assessments rather than treatment for Community Probation Service offenders resulted in more reports written than forecast. Fewer reports were provided to the Public Prisons Service as increased treatment length provided to some offenders reduced the number of individuals passing through treatment.

BICULTURAL THERAPY⁵⁶

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of consultation hours provided by Māori service providers under the Bicultural Therapy Model:	3,933	3,579	4,000	(421)
The number of Māori offenders who receive treatment under the Bicultural Therapy Model:	new measure	314	n/a ⁵⁷	n/a
QUALITY				
The percentage of Māori service providers who comply with the following standards when delivering consultation hours under the Bicultural Therapy Model to be no less than:	100%	97%	100%	(3%)
<ul style="list-style-type: none"> · all referrals follow locally agreed referral processes · provider has received induction from the Psychological Service · provider has signed a contract for services · treatment provided is centred around Māori values and beliefs using the principles of kaupapa Māori and nga tikanga Māori · provider is mandated by the relevant Oversight Committee, comprising representatives of local iwi and the Psychological Service · a report is provided to the Psychological Service at the end of each referral. 				

Comments

The number of consultation hours provided by Māori Service providers was below forecast due to an inability to establish oversight committees in all areas, despite ongoing efforts by psychologists. Oversight committees are located in each area and are made up of Māori kaumatua and the Principal Psychologist(s) from each area. When an offender indicates they would like to receive treatment under the Bicultural Therapy Model, the oversight committee reviews the service providers available and decides the most appropriate provider depending on the offender's needs. The inability to establish oversight committees in the Dunedin/Southland and Wellington areas meant that a lower than expected number of consultation hours were provided.

⁵⁶ The Bicultural Therapy model increases responsiveness to Māori needs by enabling both Tikanga Māori and western psychology for self-development and whānau healing.

⁵⁷ No forecast was included in the 2006/07 Statement of Intent.

OUTPUT 7.8: CHAPLAINCY SERVICES

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

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of full-time equivalent chaplains in prisons:	34	36	26	10
QUALITY				
The percentage of chaplaincy services delivered in accordance with the service description to be no less than:	100%	100%	100%	0%

Comments

The increased number of chaplains primarily reflects that the Catholic Bishop continues to make available additional chaplains to the Chaplaincy Service on a gratis basis as a gesture of goodwill. The increased number of chaplains also reflects chaplaincy services provided to Northland Region Corrections Facility and Auckland Region Women's Corrections Facility.

For the year ended 30 June 2007

OUTPUT CLASS 8 SERVICES TO THE NEW ZEALAND PAROLE BOARD

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

This output class primarily contributes to the Departmental outcome of 'protecting the public'.

OUTPUT CLASS STATEMENT: SERVICES TO THE NEW ZEALAND PAROLE BOARD

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
REVENUE				
5,488	Crown	5,704	5,488	5,704
–	Other	–	–	–
5,488	Total Revenue	5,704	5,488	5,704
5,594	Total Expenses	5,694	5,488	5,704
(106)	Net Surplus / (Deficit)	10	–	–

OUTPUT 8.1: SERVICES TO THE NEW ZEALAND PAROLE BOARD

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hearings by the New Zealand Parole Board to be no less than:	8,745	10,211	8,900	1,311
QUALITY				
The percentage of offenders or victims notified of an impending hearing at least 10 working days before a hearing to be no less than:	n/a	n/a ⁵⁸	100%	n/a
The percentage of offenders or victims notified of a Board decision within 10 working days after a hearing to be no less than:	n/a	n/a ⁵⁹	95%	n/a
The percentage of papers for home detention (deferred sentences) hearings provided to the Board at least five working days before a hearing to be no less than:	n/a	n/a ⁶⁰	95%	n/a
The percentage of all other papers for each hearing provided to the Board at least 10 working days before a hearing to be no less than:	n/a	n/a ⁶¹	95%	n/a
The scheduling of cases to be heard by the Board to be within the timeframe specified in the Parole Act 2002 to be no less than:	n/a	100%	100%	0%

Comments

Ministerial approval was received to amend the quality measures from what was published in the 2006/07 Statement of Intent. Four quality measures were removed and three new quality measures were agreed:

- The percentage of offenders notified of an impending hearing at least 10 working days before a hearing to be no less than 100 per cent. A result of 100 per cent was achieved against this standard.
- The percentage of victims notified of an impending hearing at least 10 working days before a hearing to be no less than 100 per cent. No verifiable recording system was in place to accurately report against this standard. A review of the sampling method used to report against this measure will be undertaken in 2007/08.
- The percentage of offenders who are entitled to a hearing who receive a hearing. A result of 100 per cent was achieved against a standard of 100 per cent.

The volume of hearings was 15 per cent above expected volumes due to a marked increase in the volume of recall hearings, parole hearings and back-end Home Detention hearings. Legislation changes in late 2007 will have an impact on the volume of Board hearings, however this impact will be gradual, commencing in the second half of 2007/08, with a more significant reduction expected in 2008/09.

⁵⁸ Ministerial approval was obtained to remove of this measure.

⁵⁹ Ministerial approval was obtained to remove of this measure.

⁶⁰ Ministerial approval was obtained to remove of this measure.

⁶¹ Ministerial approval was obtained to remove of this measure.

For the year ended 30 June 2007

OUTPUT CLASS 9 POLICY ADVICE AND DEVELOPMENT

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

This output class contributes to the Departmental outcomes of 'protecting the public' and 'reducing re-offending'.

OUTPUT CLASS STATEMENT: POLICY ADVICE AND DEVELOPMENT

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
	REVENUE			
5,403	Crown	4,981	5,403	4,981
–	Other	–	–	–
5,403	Total Revenue	4,981	5,403	4,981
5,122	Total Expenses	4,874	5,403	4,981
281	Net Surplus / (Deficit)	107	–	–

OUTPUT 9.1: POLICY ADVICE AND DEVELOPMENT SERVICES

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

QUALITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The percentage of advice provided according to a work programme agreed with the Minister of Corrections:	100%	100%	100%	0%
Advice delivered to the Minister of Corrections will be in accordance with the following quality standards:	100%	100%	100%	0%
<ul style="list-style-type: none"> the aims of the paper have been clearly stated and answer the questions that have been set the assumptions behind the advice are explicit, and the argument is logical and supported by the facts the facts in the paper are accurate and all material facts have been included an adequate range of options has been presented and each has been assessed for benefits, costs and consequences to the Government and the community there is evidence of adequate consultation with interested parties and possible objections to proposals have been identified the problems of implementation, technical feasibility, timing and consistency with other policies have been considered the format meets Cabinet Office requirements, the material is effectively and concisely summarised, has short sentences in plain English and is free of spelling or grammatical errors. 				
TIMELINESS				
Policy advice will be delivered within the specific reporting deadlines agreed with the Minister of Corrections:	100%	100%	100%	0%

Comments

The Effective Interventions project and the Prisoner Employment Strategy continued to place heavy demands on the Policy Group. New work, including support for legislation and Cabinet papers on prisoner transport and security, continued to place pressure on timelines. As a consequence, some timelines were extended.

OUTPUT 9.2: MINISTERIAL SERVICING

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of responses to be prepared to Ministerial correspondence:	432	295	600 ⁶²	(305)
The number of responses to Parliamentary questions:	527	873	700 ⁶³	173
QUALITY				
The percentage of replies returned for redrafting not to exceed:	12%	22%	10%	12%
All responses signed out by either a general manager or, in his or her absence, an appropriate manager to be no less than:	100%	100%	100%	0%
TIMELINESS				
The percentage of responses to Ministerial correspondence completed within the timeframes agreed with the Minister's office to be no less than:	54%	54%	90%	(36%)
The percentage of responses to Parliamentary questions completed within the timeframes set by the Minister's office to be:	52%	50%	100%	(50%)

Comments

The forecasts for the number of responses to be prepared to Ministerial correspondence and the number of responses to Parliamentary questions were revised and agreed with the Minister mid-year to reflect more accurate forecasts of demand.

The majority of replies returned for redrafting were as a result of minor issues such as formatting and typographical errors. Resources and expertise were increased to address this, and a specialised Ministerial Unit was established to support correspondence management and improve quality.

Timeliness of responses to Ministerial correspondence failed to meet the standard and was 36 per cent below expectations. Current expectations are that draft responses are delivered within 15 days. During 2007/08 it is planned to review this ambitious target with an aim to ensure that customer needs are met while a pragmatic approach is taken to ensuring enough time is allowed in order to deliver satisfactory responses.

Timeliness of responses to Parliamentary questions also failed to meet the standard and was 50 per cent below expectations. This was mainly due to the complexity and collation required to deliver satisfactory responses in a timely manner. Resources were added to address this issue. The Ministerial Unit now provides more assistance in drafting responses, and interim responses are now provided where there are difficulties in delivering full responses on time.

⁶² Ministerial approval was received to revise this performance standard to 300.

⁶³ Ministerial approval was received to revise this performance standard to 900.

OUTPUT 9.3: PROVISION OF PSYCHOLOGICAL AND OTHER RESEARCH

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

QUALITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The percentage of research and evaluation delivered to the agreed project milestones:	100%	100%	100%	0%
The percentage of psychological and other research that is provided to the following criteria contained in the Psychological Service Manual:	100%	100%	100%	0%
<ul style="list-style-type: none"> • the hypothesis/aim of the research is clearly stated; capable of being tested; uses minimal variables; is resourced appropriately • data collection meets appropriate standards of research design, and appropriate analysis tools are used • the results are accurately and clearly described • there is concise and thorough explanation of the implications of the results for the issues investigated • the research is peer reviewed both internally and externally • the report is written in a format appropriate to the audience • the aims of the paper are accurate and all material facts have been included • the material is free of spelling or grammatical errors and an executive summary is provided if the report exceeds five pages • when possible the material is published within internationally recognised journals. 				

Comments

Full year results for the provision of psychological research were in line with expectations.

For the year ended 30 June 2007

OUTPUT CLASS 10 SERVICE PURCHASE AND MONITORING

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

This output class primarily contributes to the Departmental outcome of 'protecting the public'.

OUTPUT CLASS STATEMENT: SERVICE PURCHASE AND MONITORING

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
	REVENUE			
1,589	Crown	1,734	1,588	1,734
–	Other	–	–	–
1,589	Total Revenue	1,734	1,588	1,734
1,626	Total Expenses	1,612	1,588	1,734
(37)	Net Surplus / (Deficit)	122	–	–

OUTPUT 10.1: PURCHASE AND MONITORING OF SERVICE DELIVERY

This output involves the development, management and monitoring of:

- services purchased from external providers
- inter-agency agreements with other government agencies, in particular the agreements with Child, Youth and Family and the Ministry of Justice, and memoranda of understanding with the New Zealand Police, Ministry of Social Development, ACC, Ministry of Health, Inland Revenue Department, Department of Building and Housing, New Zealand Parole Board, Career Services, Housing New Zealand Corporation, Office of the Ombudsmen, Department of Labour.

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

INTER-AGENCY AGREEMENTS

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of national-level strategic agreements managed:	13	n/a	14	n/a
QUALITY				
The percentage of national-level strategic agreements managed in accordance with the review and reporting provisions to be no less than:	100%	n/a	100%	n/a
TIMELINESS				
The percentage of national-level strategic agreements that are renegotiated and/or reviewed by the date specified to be no less than:	100%	n/a	100%	n/a

Comments

No verifiable recording systems are currently in place to accurately measure reporting against these standards. In 2007/08, as structural changes in the Department are implemented, it is planned that issues associated with resourcing the management of inter-agency agreements will be resolved.

COMMUNITY FUNDING CONTRACTS

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of community funding contracts negotiated with external providers:	81	100	65	35
QUALITY				
The percentage of community funding contracts with a value of \$20,000 (or over) that have performance measures and standards to the following criteria to be no less than:	100%	100%	100%	0%

QUALITY (CONTINUED)	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
<ul style="list-style-type: none"> the correct parties to the contract are specifically identified and the parties have legal power to contract and are a legal entity the term of the contract has been identified the price is identified in the schedule of the contract the payment regime is specified the format and dates of reporting requirements are stated the mechanism for resolving disputes is stated the programme is clearly described (including programme aims, content and delivery process) the contract is legal. 				
TIMELINESS				
The percentage of community funding contracts with values of \$20,000 (or over) agreed and in place by the agreed date to be no less than:	57%	100%	95%	5%

Comments

Community programme funding contracts are negotiated as required by regional and area managers in order to meet demand for programme places for offenders to address issues such as domestic violence, alcohol or drug use and sex offending.

Additional funding for community funded programmes was made available to cater for increased demand for domestic violence and sex offender programmes resulting in the number of contracts being above forecast.

CONTRACTS WITH COMMUNITY RESIDENTIAL CENTRES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of contracts between Probation and Offender Services and community residential centres:	3	3	3	0
QUALITY				
The percentage of contracts for services with community residential centres that meet the following standards to be no less than:	100%	100%	100%	0%

OUTPUT 10.1: PURCHASE AND MONITORING OF SERVICE DELIVERY (CONTINUED)

QUALITY (CONTINUED)	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
<ul style="list-style-type: none"> • services are clearly described • performance measures and standards are specified • price and payment regime is specified (including incentives as appropriate) • format and dates of reporting requirements are specified. 				
TIMELINESS				
The percentage of contracts for services with community residential centres that are regularly reviewed and reported on in terms of the following criteria to be no less than:	100%	100%	100%	0%
<ul style="list-style-type: none"> • the procedures are being followed • service delivery and performance measures are as specified • the quality of service delivery and performance is as specified • the manner, timing and form of reporting are as laid down. 				

Comments

The results for the year were in line with expectations. Standardised contract documentation, which includes performance standards, was in place for all three community residential centre contracts.

OUTPUT 10.2: PROVISION OF INSPECTORATE SERVICES

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of inspections in the inspectorate work programme as approved by the Assurance Board:				
• routine visits:	97	83	100	(17)
• special investigations:	15	12	20	(8)
QUALITY				
The percentage of inspections that are carried out to the following criteria to be no less than:				
	100%	100%	100%	0%
• to a quality that satisfies the Department's Assurance Board				
• according to the guidelines and standards of the New Zealand Institute of Internal Auditors				
TIMELINESS				
All reports on routine inspection visits will be completed within one month of the visit:	89%	96%	100%	(4%)
All special reports will be completed within the time period agreed in the terms of reference for the investigation:	98%	94%	100%	(6%)

Comments

The need to clear outstanding and complex investigations, along with staff resourcing issues during the year resulted in the cancellation of some routine visits.

OUTPUT 10.3: PROVISION OF NATIONAL SYSTEMS SERVICES

This output involves:

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of national systems maintained:	17	18	18	0
The number of service descriptions maintained:	47	47	47	0
The number of applications for inclusion on the Victim Notification Register:	523	513	600	(87)
The number of personal records established for prisoners:	4,226	4,668	n/a ⁶⁴	n/a
The number of decisions on offender management made under specified statutory delegations:	1,456	n/a ⁶⁵	1,000	n/a
QUALITY				
The percentage of national systems and service descriptions that comply with legislation:	100%	100%	100%	0%
The number of justified complaints by victims:	0	1	n/a ⁶⁶	n/a
The percentage of offender records established in accordance with the agreed procedures:	100%	100%	100%	0%
The percentage of offender management decisions made that are not overturned on review:	100%	n/a ⁶⁷	97%	n/a

⁶⁴ No forecast was included in the 2006/07 Statement of Intent.

⁶⁵ Ministerial approval was obtained to remove this measure.

⁶⁶ No forecast was included in the 2006/07 Statement of Intent.

⁶⁷ Ministerial approval was obtained to remove this measure.

TIMELINESS	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The percentage of national systems and service descriptions that are reviewed as scheduled:	100%	100%	100%	0%
The percentage of applications for inclusion on the Victim Notification Register processed within 10 working days of being received:	100%	100%	100%	0%
The percentage of offender records established within 10 working days of reception to prison:	100%	100%	100%	0%
The percentage of offender management decisions made with specified timeframes:	100%	n/a ⁶⁸	100%	n/a

Comments

Performance measures relating to offender management decisions were removed with Ministerial approval due to the difficult nature of accurately reporting against these measures.

The number of applications for inclusion on the Victim Notification Register is outside the Department's control and relies on referrals from New Zealand Police.

⁶⁸ Ministerial approval was obtained to remove this measure.

