

DEPARTMENT OF CORRECTIONS

Annual Report

1 July 2004 – 30 June 2005





Vision

To focus on our primary outcome of Safer Communities by Protecting the Public and Reducing Re-offending through

People – Performance – Quality

and as a result have the New Zealand public's trust and confidence.

Kaupapa

Kotahi ano te kaupapa; ko te oranga o te iwi

There is only one purpose (to our work); it is the wellness and wellbeing of the people.



DEPARTMENT OF CORRECTIONS Annual Report

1 July 2004 - 30 June 2005

PRESENTED TO THE HOUSE OF REPRESENTATIVES PURSUANT TO THE PUBLIC FINANCE ACT 1989

The pattern featured on the cover was especially developed for the Department of Corrections. It represents the spiritual and physical journey of the individual to wellbeing.

The start of the journey is symbolised by the koru; the kupenga pattern – net design – reflects the family 'net' of whanau support.

The koru patterns that radiate from the centre represent manaakitanga – guidance – and wellbeing.

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

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INTRODUCTION

The annual report describes achievement against the Department's strategic goals and key initiatives, outputs and performance measures as outlined in the 2004/05 Statement of Intent. This is the second annual report against the Department's Strategic Business Plan 2003–2008.

The annual report is divided into three parts:

Part 1 sets out the strategic context within which the Department operates, including the purpose and principles guiding the Department's day-to-day operations, and the environment and issues that impacted upon those operations during 2004/05. It also highlights the Department's approach to managing offenders, strategies to mitigate against identified risk areas, the Department's strategic direction and how this linked with the key government goals. Part 1 also details achievement against the major initiatives planned for 2004/05 and provides information on the Department's progress towards achieving its two outcomes of protecting the public and reducing re-offending.

Part 2 includes the Department's financial statements and statement of service performance against the outputs outlined in the 2004/05 Statement of Intent, in accordance with the Public Finance Act 1989. Included in these are detailed descriptions of the outputs that were delivered during 2004/05, the performance standards associated with these outputs, and statements setting out the Department's operating expenditure and financial position as at 30 June 2005.

Part 3 represents the Department's Sustainable Development Report for 2004/05. It provides an outline of the Department's progress towards the development of its sustainable development framework, and reports on the key aspects and indicators associated with the social, environmental and economic impacts of the Department's operations. Relevant supporting information, including the departmental profile, governance structures, relationship arrangements and management systems is also provided.

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CHIEF EXECUTIVE'S OVERVIEW

I am pleased to present this Annual Report, my first as Chief Executive. In assuming my role I must acknowledge the legacy of the previous Chief Executive, Mark Byers, in establishing the Department and setting its strategic direction. During his nine-year tenure as Chief Executive, he guided the Department through a period of extensive

change, including the introduction of a new approach to offender management, major expansion of facilities and development of infrastructure, and significant legislative change.

Since my arrival in the Department, I have taken the opportunity to talk to many staff, and visit all prisons, service centres and offices throughout the country. The Department of Corrections is a sound organisation, with strong leadership apparent at all levels, effective strategic thinking and good management skills. These attributes were well tested during the year in managing the pressures of an increasing prison population. The Department's performance demonstrates it was well positioned, within the Justice Sector, in making significant contributions towards fulfilling the Government's outcomes, although as always there is room for improvement.

An Output Pricing Review in 2003 was the basis upon which the Government provided the Department with increased capital and operating funding to progressively restore and maintain capability, and enable additional investment in rebuilding core capacity. This occurred alongside a significant programme to construct additional prison facilities to meet the increasing prison population, while considerable effort has also been expended in extending existing prison facilities. The new Northland Region Corrections Facility was opened in March 2005, and three additional corrections facilities will be commissioned in the course of the next two years. The investment in these areas will continue to build the capacity needed to sustain and extend the Department's performance.

The Corrections Act 2004 and Corrections Regulations 2005 came into force on 1 June 2005, replacing the Penal Institutions Act 1954 and the Penal Institutions Regulations 2000. This completed the package of criminal justice reform in New Zealand that started with the Sentencing Act, Parole Act and Victims' Rights Act. The new Corrections Act and Regulations provide a modern framework for the management of corrections and a set of clear principles to guide and inform the development of corrections activity over the coming years. The new Act also gives priority to public safety and ensures that victims' interests are considered. Overall, the legislation will offer a more open and accountable system including the capability of being more responsive in supporting and maintaining our efforts in addressing the needs of Māori and Pacific offenders and their communities.

The prison population has continued to increase faster than that projected by Ministry of Justice forecasts. Throughout the year prisoner numbers have at times exceeded the number of beds available in the prison system. The Department responded to the pressures of effectively managing this situation by ensuring our prisons continued to run smoothly. During the year the prison population growth tested the Department's contingency capacity, which included the utilisation of operational buffers and disaster-recovery capacities. In collectively managing this situation within the justice sector environment, I am appreciative of the assistance offered by the Police and Ministry of Justice, and I am also most appreciative of the dedication and professionalism displayed by all prison staff.

During the course of the year a number of the Department's plans, designed to ease prisoner pressures, were either realised or under development for impending implementation. In this respect, the Department opened the Northland Region Corrections Facility in March 2005 and will continue work in 2005/06 on extending the capacity of some existing prison facilities, by an additional 493 beds. The commissioning of the Auckland Region Women's Correction Facility will occur in 2006, while the Spring Hill and Otago Region Corrections Facilities are scheduled for completion in 2007. Considerable work was also undertaken during the year to effect the smooth transfer of full responsibility for the management of the Auckland Central Remand Prison to the Department,

which was completed on 12 July 2005. The Department will continue working with other justice-sector agencies in examining options for both containing and accommodating growth in the prison population, while ensuring that the community's safety is not compromised.

Protecting the public and reducing re-offending remains the Department's primary focus. Our efforts to reduce re-offending, in using rehabilitation and reintegration programmes to influence offenders in order to change behaviour, are appropriate. The difficulty resides in what programme, or mix of programmes, can best lead to changed behaviour. Informed decisions about this are predicated on the practice of continually reviewing and evaluating existing programmes, as quickly as possible, to determine the right mix of programmes for delivery at the most opportune time during the course of a prisoner's sentence. New roles have been developed within the Department to achieve this aim.

The measurement of success in this field is based upon internal evaluations and benched-marked against comparable jurisdictions. The evolution of this long-term strategy needs constant nurturing to ensure it is flexible and responsive enough to meet the requirements of helping offenders return to their communities and participate positively in society. The reintegrative initiatives undertaken by the Department aim to assist offenders to remain offence-free and include: basic living skills, parenting and budgeting advice, supported accommodation programmes, and roles performed by reintegration co-ordinators and whanau liaison workers. Self-care units also help offenders learn independent living skills as they approach the end of their time in prison.

The Department has continued to develop its technological capabilities. Since the inception of home detention, advances in electronic tagging have been introduced and monitoring procedures strengthened. These initiatives have laid the groundwork for investigations into the practicalities of using voice verification and global positioning systems. In response to the miniaturisation of modern communications devices, the Department has recently commissioned a project to assess appropriate options for the management of unauthorised use of mobile telephones in prisons and will consider technological solutions utilised overseas. This work will be complemented by investment in monitoring prisoners' telephone calls and increased crime prevention information capability.

The implementation of Extended Supervision Orders for serious child-sex offenders has enabled the Department to monitor a number of offenders who pose a high risk of re-offending. The Department has worked with local service groups and communities as part of its efforts to aid the reintegration of sex offenders released from prison. This is a difficult and contentious issue that has attracted significant interest from the public and the news media. This interest also extended to prison population growth and prisoner complaints. There is considerable work ahead of us in improving the Department's image and ensuring staff and stakeholders are consistently informed about all aspects of the Department's operations.

The past year has been difficult and demanding and I want to acknowledge the commitment of all staff, whose dedication and professionalism allowed us to successfully meet the challenges presented. I look forward to the forthcoming year, which I am sure will be as interesting and challenging as my first. I am confident the Department can build on the foundations already in place to create a safer environment for the people of New Zealand.

Barry Matthews

Chief Executive



PART 1 - STRATEGIC CONTEXT

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PURPOSE AND PRINCIPLES GUIDING THE CORRECTIONS SYSTEM

The purpose and principles guiding the corrections system are set out in the Corrections Act 2004.

Purpose of Corrections System

The purpose of the corrections system is to improve public safety and contribute to the maintenance of a just society by:

- ensuring that the community-based and custodial sentences and related orders that are imposed by the courts and the New Zealand Parole Board are administered in a safe, secure, humane and effective manner; and
- providing for corrections facilities to be operated in accordance with rules set out in the corrections legislation and regulations made under this legislation that are based, amongst other matters, on the United Nations Standard Minimum Rules for the Treatment of Prisoners; and
- assisting in the rehabilitation of offenders and their reintegration into the community, where appropriate, and as so far as is reasonable and practicable in the circumstances and within the resources available, through the provision of programmes and other interventions; and
- providing information to the courts and the New Zealand Parole Board to assist them in decision-making.

Principles Guiding Corrections System

The principles that guide the operation of the corrections system are that:

 the maintenance of public safety is the paramount consideration in decisions about the management of persons under control or supervision

- victims' interests must be considered in decisions related to the management of persons under control or supervision
- in order to reduce the risk of re-offending, the cultural background, ethnic identity, and language of offenders must, where appropriate and to the extent practicable within the resources available, be taken into account:
 - in developing and providing rehabilitative programmes and other interventions intended to effectively assist the rehabilitation and reintegration of offenders into the community; and
 - in sentence planning and management of offenders
- offenders must, where appropriate and so far as is reasonable and practicable in the circumstances, be provided with access to any process designed to promote restorative justice between offenders and victims
- an offender's family must, so far as is reasonable and practicable in the circumstances and within the resources available, be recognised and involved in:
 - decisions related to sentence planning and management, and the rehabilitation and reintegration of the offender into the community; and
 - planning for participation by the offender in programmes, services and activities in the course of his or her sentence

- the corrections system must ensure the fair treatment of persons under control or supervision by:
 - providing those persons with information about the rules, obligations, and entitlements that affect them; and
 - ensuring that decisions about those persons are taken in a fair and reasonable way and that those persons have access to an effective complaints procedure
- sentences and orders must not be administered more restrictively than is reasonably necessary to ensure the maintenance of the law and the safety of the public, corrections staff and persons under control or supervision
- offenders must, so far as is reasonable and practicable in the circumstances within the resources available, be given access to activities that may contribute to their rehabilitation and reintegration into the community
- contact between prisoners and their families must be encouraged and supported so far as is reasonable and practicable and within the resources available, and to the extent that this contact is consistent with the maintenance of safety and security requirements.

CORRECTIONS WITHIN THE JUSTICE SECTOR

The Government has determined key goals to guide the public sector in achieving sustainable development and provide the overall framework in which the justice sector operates.

These six key government goals are to:

- strengthen national identity and uphold the principles of the Treaty of Waitangi
- grow an inclusive, innovative economy for the benefit of all
- · maintain trust in government and provide strong social services
- improve New Zealanders' skills
- · reduce inequalities in health, education, employment and housing
- · protect and enhance the environment.

Through the justice sector, the Department contributes to four of these goals, as illustrated in the diagram below, and as discussed in the sections on the Department's Focus and Collaboration with Other Agencies.

TABLE 1: LINKAGES BETWEEN SECTOR OUTCOMES AND KEY GOVERNMENT GOALS

Key Government Goals

Strengthen National Identity and Uphold the Principles of the Treaty of Waitangi

Celebrate our identity in the world as people who support and defend freedom and fairness, who enjoy arts, music, movement and sport, and who value our diverse cultural heritage; and resolve at all times to endeavour to uphold the principles of the Treaty of Waitangi.

Maintain Trust in Government and Provide Strong Social Services

Maintain trust in government by working in *partnerships* with communities, providing strong social services for all, building safe communities and promoting community development, keeping faith with the electorate, working constructively in Parliament and promoting a strong and effective public service.

Reduce Inequalities in Health, Education, Employment and Housing

Reduce the inequalities that currently divide our society and offer a good future for all by better coordination of strategies across sectors and by supporting and strengthening the capacity of Māori and Pacific Island communities. Ensure that all groups in society are able to participate fully and enjoy the benefits of improved production.

Improve New Zealanders' Skills

Foster education and training to enhance and *improve* the nation's *skills* so that all New Zealanders have the best possible future in a changing world. Build on the *strengthened industry training and tertiary sectors* to ensure that New Zealanders are among the best educated and most skilled people in the world.

Justice Sector End Outcomes

Safer Communities

Being communities in which there is reduced crime and in which safety and wellbeing is enhanced through partnerships

A fairer, more credible and more effective justice system

Being a system in which people's interactions are underpinned by the rule of law and justice services are more equitable, credible and accessible

Justice Sector Intermediate Outcomes

Reduced

- youth offending
- offending by Māori
- violence
- family violence
- burglary
- organised crime

• serious traffic offending • a

- theft of and from cars
- Improved
- access to and delivery of court services, and child, youth and family services
- public confidence in the police, judiciary and other justice institutions
- relationships between the Crown and Māori
- laws governing family relationships and other private dealings

Department's Outcomes



Protect the Public

Reduce Re-offending



STRATEGIC BUSINESS PLAN 2003–2008 THEMES AND STRATEGIES

The Department's *Strategic Business Plan 2003–2008* sets the overall direction for the organistion and is supported by a *Māori Strategic Plan*, a *Pacific Strategy* and four operational strategies. This annual report details the key initiatives achieved during the second year of the strategic business plan.

The strategic business plan is based around four themes that provide the strategic framework for the Department to deliver on its outcomes and address the issues impacting on its operations.

The four themes of the strategic business plan are:

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

Within each theme is a series of strategies and initiatives to guide the Department towards achievement of its outcomes. Specific initiatives under each strategy, illustrative of the Department's activities, have been undertaken. More initiatives have been developed as successive statements of intent have been produced since the plan's inception.

The Department's four themes, although complementary in representing an overall managerial approach to effecting the Department's purpose and the Government's goals, are targeted to contribute directly towards safer communities, protecting the public and reducing re-offending. Each theme identifies and highlights a key aspect of effectively managing a corrections system within New Zealand's social, economic and cultural environment.

Theme 1, Ensuring Effective Offender Management, encompasses the complex operational necessities of managing offenders, both from the

custodial and non-custodial perspective, in a safe, secure, humane and effective manner.

Theme 2, *Improving Responsiveness* to *Māori*, recognises that Māori make up a large percentage of the offender population. The importance of being responsive to Māori and targeting effective interventions for Māori is critical.

Theme 3, Contributing to Reducing Re-offending, recognises the criticality of providing opportunities to assist offenders to address their offending behaviours and successfully return to the community. The rehabilitative and reintegrative interventions and activities contained within this theme are aimed at changing behaviours to address recidivism.

Theme 4, Enhancing Capability and Capacity, comprises a set of largely internal initiatives that are designed to provide the Department with the capability and capacity to address effectively and successfully the integral demands of themes 1 to 3. The focus of this theme is distinctively different in that it helps ensure the Department has in place the appropriate resources, people, support systems and infrastructure.

The purpose of the *Māori Strategic Plan 2003–2008* is to align the Department's work with the expectations of Māori communities. The plan aims to contribute to 'the wellness and wellbeing of the people' by focusing on three key themes:

- building partnerships with Māori
- being effective for Māori
- being responsive to Māori.

A new *Pacific Strategy 2005–2008* was launched by the Minister of Corrections on 29 July 2005. The Pacific Strategy is designed to assist the Department to focus and direct its activities and efforts to areas most likely to produce positive outcomes for Pacific peoples in New Zealand.

The Pacific Strategy aims to assist the Department to achieve its desired outcomes of protecting the public and reducing re-offending, by focusing on three key themes:

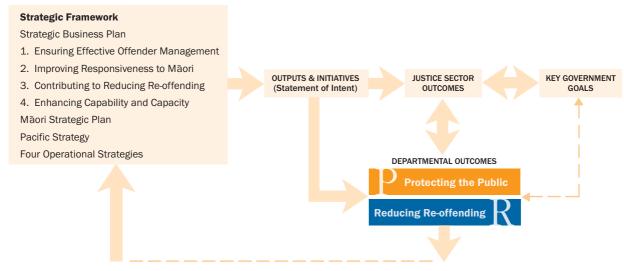
- strengthening relationships with Pacific peoples
- · being effective for Pacific peoples
- · being responsive to Pacific peoples.

To assist the Department in progressing the key themes identified in both the Māori Strategic Plan and Pacific Strategy, priority areas have been identified that will enable the Department to target resources effectively across a mix of current and new initiatives, including the Department's focus on reintegration.

This annual report outlines progress made by the Department in implementing its strategies and initiatives through the delivery of the outputs set out in the 2004/05 Statement of Intent.

The following diagram summarises the linkages from the Department's strategic framework through delivery of the outputs set out in the 2004/05 Statement of Intent to departmental and justice sector outcomes and key government goals.

TABLE 2: OVERVIEW OF CORRECTIONS STRATEGIC FRAMEWORK



DEPARTMENT'S FOCUS

The Department's strategic direction centres primarily on the justice sector end outcome of safer communities, supported by the achievement of two departmental outcomes of protecting the public and reducing re-offending.

The Department makes a particular contribution to four of the justice sector intermediate outcomes within the end outcome of *safer communities*:

- · reduced youth offending
- reduced offending by Māori
- reduced violence
- reduced family violence.

The Department contributes to protecting the public by:

- providing a safe environment for staff and the public
- managing offenders in a safe, secure and humane manner

- ensuring appropriate compliance with, and administration of, sentences and orders
- providing information to the judiciary to inform the sentencing process and release conditions
- supporting reparation to the community.

The Department also contributes to the justice sector end outcome of a fairer, more credible and more effective justice system. It does this through the delivery of effective interventions and by operating in a way that is consistent with its agreed purpose and principles,

thereby contributing to improved public perceptions of the fairness of the justice system. This end outcome is directly aligned with the key government goal of reducing inequalities. The Department's contribution to reducing inequalities is discussed within the context of the sustainable development report in Part 3.

The Department contributes to reducing re-offending through changing offending behaviour by providing targeted rehabilitative and reintegrative initiatives, including education, work experience and skills training. To do this, the Department supplies:

- a risk and needs assessment for offenders to determine how best to address offending behaviour
- programmes to encourage offenders to address their offending behaviour
- programmes to address offenders' offence-related needs
- education
- · training
- work experience to assist offenders to secure employment on release
- assistance with accessing community services, for example, through reintegration workers and supported accommodation, so that offenders can be successfully integrated back into the community and given the best opportunity to participate positively in society.

Medium-term Direction

The Department has concentrated in recent years on those interventions that are directly related to the outcome of protecting the public, while continuing the development of initiatives to support the outcome of reducing re-offending. This has been necessary as part of the Government's overall approach to reforming the criminal justice system in order to better protect the public while enabling best practice management of offenders. The approach has also reflected the balance between resources devoted to producing outputs that contribute to this outcome (85 percent of the Department's output costs are linked to protecting the public, providing the 'core' custodial services, communitybased sentences and information to support the judiciary and the New Zealand Parole Board). Successful investment in this area has been demonstrated through positive results from the relevant outcome indicators, as reported in this and previous annual reports.

While the Department is pleased with the progress made to date towards the outcome of protecting the public, it is still concerned with ensuring that the gains made do not erode, given the current pressure (and particularly that experienced during the 2004/05 financial year) on prison facilities in terms of the higher than forecast prison population and the difficulties in maintaining the required number of prison staff. Accordingly, it is essential that a strong concentration remains on the effectiveness of the Department's operations that contribute directly to protecting the public, and this has been reflected in the Department's operational focus during the 2004/05 financial year.

However, it is recognised that the successful reduction of re-offending presents a better long-term promise of a positive impact on safer communities. With regard to reducing re-offending, the Department has developed rehabilitation interventions that are founded on what works and on international best practice. It is internationally recognised that the greatest gains in reducing re-offending will be made through a combination of best practice sentence management, appropriate rehabilitation programmes and a strong focus on the reintegration of offenders back into the community.

Consequently, in 2004/05, the Department:

- implemented a new Strategy to Reduce Drug and Alcohol Use by Offenders
- implemented the Corrections Act 2004 and Corrections Regulations 2005
- introduced the new extended supervision regime for child-sex offenders
- developed and introduced new initiatives to improve reintegration

 progressed the development of new corrections facilities.

In addition, early in 2005, the Department identified and agreed with the Minister of Corrections key initiatives for priority areas of development during 2005/06. The priority areas are summarised below.

- Enhance reintegration of offenders who have spent time in prison, into the community.
- Ensure offenders in prison and on home detention receive appropriate industry training and assistance with finding sustainable employment.
- Enhance offender management processes and systems to ensure integration across the Department and with other agencies is maximised.
- Improve the focus on rehabilitation of offenders in prison and in the community.
- Improve the management of offenders serving short sentences in prison, including the period that they are under supervision in the community.
- Trial new technologies for electronic monitoring.
- Contribute to the Ministry of Justiceled review of home detention.
- Enhance prison security by monitoring prisoners' telephone calls and improving crime prevention information capability.

ENVIRONMENT, ISSUES AND IMPLICATIONS

In determining how to give best effect to its strategic direction the Department takes account of the environment in which it operates and the issues that impact upon its operations. These key environmental factors and their implications are set out in this section.

Demographic information is based on census data from Statistics New Zealand, New Zealand Police crime statistics reports, the Ministry of Justice conviction and sentencing report for 2004, the Ministry of Justice December 2004 prison population forecast and the Department of Corrections November 2003 census of prison inmates and home detainees.

General Trends in Crime

Given its core role of administering sentences imposed by the courts on individual offenders, trends in criminal offending are perhaps the single most important environmental consideration for the Department.

Because many offences are either not reported or detected, true rates of crime in the wider community are not measurable. The best substitute is the National Survey of Crime Victims, which is conducted every five years by the Ministry of Justice. The most recent surveys, in 1996 and 2001, highlight similar levels of victimisation.¹

The total number of crimes, across all categories of crime recorded by the Police for 2004, was 4.7 percent lower than the previous 12 months and was the lowest rate of reported offences since 1983.

However, the more serious crimes (violence and sex offences) increased sharply during the early 1990s, and again in the first few years of the present decade. While no further increase has occurred more recently, these numbers are currently being maintained at relatively high levels.

Police crime resolution rates have also steadily increased in recent years.

The 2004 Police crime statistics show stable rates of recorded violent and sexual offences, but a significant increase in the resolution rate for such offences (up to 44.6 percent from 32.9 percent in 1992/93). In turn, prosecutions for offences have increased. In addition, more cases have resulted in a conviction. A number of factors may be associated with the increase in both offence resolutions and convictions. These include new technologies for the investigation of offences (DNA matching, computerisation of fingerprints) and the provision of more frontline police officers.

Demographic Impacts

Demographic change is also a factor in changes in overall crime rates. At present, the population of New Zealand is growing slowly, but is expected to increase by around 12.5 percent, from approximately 4 million in 2004, to 4.5 million in 2021. Along with this, the population is ageing, which means a progressively smaller proportion of the population will be in the age bracket (that is, 15–25 years) most at risk of engaging in criminal activity. New Zealand's population growth is also expected to occur predominantly in the top half of the North Island.

Sub-types of Offences and Offenders

Violence and Sexual Offences

Although the rate of growth in violent crime has now slowed, it still remains at significant levels. Of all offenders received annually to prison, approximately 27 percent are sentenced for violent or sexual offences. However, because their sentences are on average considerably longer, violent and sex

offenders constitute approximately 40 percent of the prison population at any one time. This pattern is unlikely to change in the foreseeable future.

Alcohol and Drugs

Abuse of, or dependence on, drugs and alcohol are factors in the offending of a substantial proportion of offenders. A 1999 study of prisoners suggested that approximately 83 percent either currently met, or at some point in their lives had met, the criteria for a substance abuse or dependence disorder. This figure is several times greater than the corresponding rate for the general population.

Driving Offenders

Offenders with driving convictions constitute 21 percent of all receptions to prisons, although their relatively short sentences mean that they make up only approximately 6 percent of the prison population at any one time. Driving with excess alcohol and driving while disqualified are the most common offence types. There has been a sharp increase in the numbers of repeat offenders being sentenced to imprisonment. Many imprisoned driving offenders are persistent re-offenders who have failed to respond to less severe sanctions. A significant proportion of driving offenders also have serious alcohol problems.

Property Offenders

Property offenders are the single largest sub-group of offenders, and tend to have the highest recidivism rates. As with driving offenders, the Police prioritisation of burglary appears to have resulted in an increasing number of such offenders being convicted and sentenced to imprisonment.

 $[{]f 1}$ The next victim crime survey is currently under way and will be published in 2006.

Young Offenders

A priority for the justice sector is to prevent young offenders from continuing criminal activity into adulthood. Young offenders have the highest recidivism rates of all groups, and it is estimated that up to 20 percent of young offenders will continue to be persistent offenders during their adult years. Preventing young offenders from progressing to a life of crime is a priority for the Department, as is ensuring that vulnerable young prisoners are managed humanely and separately from adults.

Female Offenders

Female offenders constitute a small percentage of offenders in the prison population (6%) and a larger proportion of offenders serving community-based sentences (18%). A small but steady growth in the number of female offenders has been observed over recent years, and this appears likely to continue into the future. Though typically at a lower risk of re-offending than males, female offenders tend to present with a wider range of needs.

Māori and Pacific

Māori continue to be greatly overrepresented within criminal justice statistics. While 14.5 percent of the population currently identify as Māori, nearly 50 percent of prisoners, and 45 percent of those serving communitybased sentences, identify as Māori. This has been a feature for a number of years, and continues even while indicators in many other areas of social wellbeing for Māori appear to be improving.

Although to a lesser extent than for Māori, Pacific peoples are also overrepresented within criminal justice statistics constituting 6.5 percent of the general population, but 11 percent of the prison population and 17 percent of those serving community-based sentences.

New Migrants

A striking feature of New Zealand society of the past 20 years has been the increasing number of migrants, particularly from countries in Asia, Africa and the Middle East. As a consequence, the proportion of the offender population who are recent migrants is also growing. Four percent of prisoners report an ethnicity other than Māori, Pacific or New Zealand European.

Long-serving Prisoners

The Sentencing Act 2002 is likely to have contributed to an increased number of prisoners serving sentences of preventive detention, as well as lifesentence prisoners with very long (over 13 years) non-parole periods. As at 30 June 2005, there were 202 preventive detainees, and 357 prisoners serving life sentences – together, representing 8 percent of the entire sentenced population. Over time, prisoners serving indeterminate sentences are likely to constitute a growing proportion of the total prison population.

Corrections' Services

Growing Prison Population

The Department currently operates in an environment where a range of recent legislative initiatives have had, or are likely to have, a significant effect on prison volumes, despite the decreasing trends in crime rates reported above. For example, the Bail Act 2000 provided wider grounds for remanding an offender in custody prior to trial and/or sentencing. Similarly,

the Sentencing Act 2002 and Parole Act 2002 make it likely that longer prison sentences will be imposed in certain cases, and that a larger proportion of the sentences will be served in prison.

While the number of people in prison over the past 20 years has been steadily increasing, the last 12 months have seen a sharp increase. There are now 164 people in prison for every 100,000 of population; double the imprisonment rate that applied in 1980. While this rate remains well below the level of imprisonment within the United States (approximately 700 per 100,000), it is now significantly higher than the rate in New Zealand's primary international benchmark jurisdictions (see table 3 below).

The 2004 Ministry of Justice prison population forecast indicates that ongoing growth in prison numbers is likely, with a continuing increase over the next five years taking the prison population of 6,961 at 30 June 2005 to 7,800 by March 2010, an increase of 12 percent.

For much of 2004/05, the prison population exceeded forecast levels. Nationally, the increased numbers of prisoners has exceeded the number of beds available in prisons. Prisoners have been accommodated through the use of the Department's operational buffer and disaster recovery capacity, double bunking in some accommodation and the temporary use of police and court cells. Increasing prisoner numbers challenge the Department, not only to provide additional capacity, but also to maintain safe and secure custody and the effectiveness of existing rehabilitative programmes.

TABLE 3: RATES OF IMPRISONMENT (PER 100,000 OF POPULATION) FOR 2003/04

New Zealand	England / Wales	Scotland	Australia	Canada
155	127	129	116	116²

² Canadian data excludes prisoners serving less than two years, who are not accommodated in federal institutions.

Community-based Sentences

While the number of offenders in prison has increased, the number serving community based sentences (supervision, community work, parole, home detention, release on conditions) has remained relatively stable, at approximately 40,000 new starts per year. This state is likely to continue for the foreseeable future.

Rehabilitation and Reintegration

The Department has strongly embraced the philosophy of offender rehabilitation and reintegration to help reduce re-offending. A range of services target offenders' motivation to change and the specific causes of criminal offending. Reintegrative services then target the development of basic skills prior to release and provide support to offenders returning to the community.

Within the context of a renewed concentration on reintegration, supporting early intervention (around the time of birth, pre-school and during schooling) is seen as an important part of developing long-term solutions for reducing the problem of crime. The Department supports early intervention with mother and baby facilities, self-care units and improved reintegrative support services.

Broader Influences

The Department operates in an environment where many social processes influence its operations. Some of the more important of these are listed below.

 A high level of public support exists for continued use of imprisonment as a primary criminal justice sanction, particularly in cases of violence, or for recidivist offenders.

- A similarly high level of public concern has been expressed recently in relation to the small number of high-risk offenders released from prison, and the management of such persons.
- Advocates for crime victims continue to be vocal in arguing for a justice system that better respects the rights and needs of victims.
- An increasing tendency for prisoners and former prisoners to use litigation through the courts as a means of pursuing personal grievances.
- In seeking to support the reintegration of offenders, the Department needs to work cooperatively with statutory agencies to provide the assistance that released offenders require.
- New Zealanders are aware that this country is not immune to the spread of cyber crime and trans-national crime, as well as the potential for terrorist activity and other threats to national security.
- New Zealand recognises a growing number of international treaties and protocols, some of which relate directly to the treatment of offenders.
- The rate of unemployment nationally (3.7% at June 2005) is currently the lowest since 1986. In a high-employment economy, staff recruitment and retention has become an issue for the Department, creating challenges in terms of its ability to recruit the additional staff necessary to meet the requirements of natural attrition and staff new facilities. Improved retention rates are essential to optimising the balance between experienced and new staff.

Improved Service Focus

The Department remains committed to improving the way it performs its core functions of offender management, rehabilitation and reintegration. There is also a need to address the continued growth in prison population levels. Consequently, there is interest, shared by other agencies in the justice sector, in the following areas of development.

- Increased use of risk assessment procedures for the early identification of high-risk offenders, high-risk youth, and their longer-term management (under new legislation the Department began, in 2004/05, managing high-risk child-sex offenders for extended periods of up to ten years following the expiry of the normal parole restrictions).
- The potential use of new technologies in sentence administration, including voice verification and global positioning tools.
- Enhancing custodial operating environments to encourage prisoners to take greater responsibility for their actions and pursue personal change during the period of incarceration.
- Greater levels of involvement by Māori and Pacific communities in the work of managing offenders and ensuring their successful reintegration in the community, as well as in shaping the Department's policies and procedures.
- Improved coordination of services across government sectors to facilitate reintegration.

The Department remains committed to considering research evidence as a basis for improving practices within its operations. Evidence-based practice is

The following table highlights rates of reconviction and re-imprisonment of offenders over a 12-month follow-up period for released prisoners and community-sentenced offenders.

TABLE 4: RATES OF RECONVICTION AND RE-IMPRISONMENT (PERCENTAGE WITHIN 12 MONTHS)

Release period	From p	n prison From communit		ity sentence
Release periou	Re-imprisoned %	Reconvicted %	Imprisoned %	Reconvicted %
2002/03	28.0	42.3	8.6	34.0
2003/04	28.9	42.6	8.0	29.2

perhaps best exemplified by the ways that the services and procedures that make up the Department's sentence management framework – the induction, assessment, rehabilitation and reintegration of offenders – have been designed and implemented with reference to sound empirical evidence regarding effectiveness.

Implications

The Ministry of Justice prison population forecast predicts growth in prisoner numbers will continue for the next five years, which suggests that further expansion of prison facilities may be necessary. However, there is general consensus that the high fiscal and social costs associated with imprisonment make unrestrained growth undesirable. The Department is committed to working with other justice sector agencies to examine all options

whereby such growth can be contained, while at the same time ensuring that community safety is not compromised. Achieving this balance demands a better and more complete understanding of the factors that are driving rising imprisonment rates, exploring the full range of policy and practice options that may place a brake on such growth, and developing new policies that are effective in reducing crime.

Further, the Department is committed to continuing its focus on the needs of Māori and Pacific offenders, groups that continue to be over-represented in counts of convicted offenders. Youth and female offenders will also be the focus of improvements to services and supports. Ensuring that services are appropriate for new migrants from a range of different ethnic backgrounds is an emerging challenge.

The Department continues its quest to deliver high-quality, well-targeted and accurately focused programmes to offenders to promote rehabilitation and reintegration, and a reduction in re-offending. Increased emphasis on educational and employment support, and reintegration initiatives that assist offenders as they make the transition back to the community, are also high priorities. However, the Department recognises that such interventions are only a part of the picture, and will continue to contribute to governmentwide initiatives to address the needs of at-risk families and children.

APPROACH TO MANAGING OFFENDERS

The Department manages offenders through an integrated approach that applies across all sentence types, sentence lengths and locations.

When offenders enter the corrections system, there is a process to guide what happens to them during their sentence, how their needs are identified and managed and what follow-up support is required once they have finished their sentence. The offender management process is illustrated by the following diagram.

FOR OFFENDERS SENTENCED TO PRISON COMMUNITY COMMUNITY PROBATION PROBATION PUBLIC PRISONS SERVICE SERVICE SERVICE Supported by the PSYCHOLOGICAL SERVICE INTERVENTION **SERVICES** PROCESS STAGE Support Preparation Pre-sentence Induction Post-sentencing Sentence Sentence in the planning management for release assessment assessment community INTERVENTION **SERVICES** COMMUNITY PROBATION SERVICE -Т Supported by the PSYCHOLOGICAL SERVICE FOR OFFENDERS SENTENCED TO COMMUNITY-BASED SENTENCES

TABLE 5: OFFENDER MANAGEMENT PROCESS

The integrated approach to the management of offenders is underpinned by tools for assessing an offender's risk of re-offending and their particular criminogenic needs. For higher-risk offenders, needs are closely matched with interventions that focus on rehabilitation. For lower-risk offenders, reintegration into the community is the key element of an approach designed to support a transition to a crime-free lifestyle.

As a first step, many offenders may also need some assistance to motivate them to address their offending behaviour. In such cases, the initial focus will be on either cognitive-based programmes or a tikanga-based programme. Should there be a consequent improvement in motivation, the offender may go on to have interventions targeted at their criminogenic needs as they relate to the cause of their offending.

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

TABLE 6: INTEGRATED APPROACH TO OFFENDER MANAGEMENT

Serving a Safe Sentence	Equipping for Self-sufficiency
Safe secure and humane containment At-risk assessments Security classification Constructive activities Drug and alcohol strategy/drug testing Provision of a safe environment for staff and public Safe, secure and humane management of offenders Sentence compliance in the community	Education and employment Basic numeracy and literacy skills National Certificate in Employment Skills Vocational training and experience Education for youth Employment Access to more advanced education
Aiming to Change Behaviour	Removing Blockages to Remaining Offence-free
Responsivity/Motivational Straight Thinking Tikanga Māori programmes Motivational interviewing Faith-based unit Chaplaincy Rehabilitation Alcohol and drug abuse programmes Violence prevention programmes Generic rehabilitative programmes Making our Drivers Safer programmes Making our Drivers Safer programmes Bicultural therapy Māori therapeutic programmes Young Offenders Units programmes Treatment by psychologists Special treatment units – Drug and Alcohol, Sex Offender, Violence Prevention	Reintegration Basic living skills Parenting Budgeting Self-care units Links to community support services Day release/work release Home leave Relapse prevention programme Involve family/whanau, hapu and iwi in reintegration plans Tailored to meet the needs of different cultural groups, especially focused on the needs of young people and women Victim empathy Offenders as victims Coordinated reintegrative services Supported accommodation

The design of the interventions and associated business processes has been based on studies of 'what works with offenders' both internationally and in New Zealand, and takes into account the New Zealand environment, and the nature and characteristics of the offending population. The best results are when the right person receives the right intervention, in the right situation, at the right time – and gets good support from community, friends and family for maintaining their new behaviours, both during their sentence and once their sentence has been completed.

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

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

 the right time for a programme to occur, including support following completion.

The Department's approach is enabled by a philosophy of 'Active Management', which is the interaction of staff and offenders for the purpose of effective sentence management. As such, it involves skilled and knowledgeable staff (who understand the specific risks and needs of each offender) interacting and responding to offenders in a positive way in order to achieve the best possible outcomes.

The principles of the psychology of criminal conduct are found in Andrews and Bonta, The Psychology of Criminal Conduct (3rd Edition), 2003. The New Zealand experience is reported in the departmental publications. Let there be Light, When the Bough Breaks, Montgomery House Evaluation and Driving Offender Treatment Programme Evaluation.

MEASURING OUTCOMES

The Department's success is determined by the extent to which the departmental outcomes of protecting the public and reducing re-offending are achieved, which in turn contribute to the justice sector end outcome of safer communities and, through this, to the Government's key goals.

Attribution and Accountability

Measurement of progress can be intrinsically difficult because outcomes are often influenced by factors beyond an individual agency's control. The nature of the measures developed for each outcome means that some measures are better suited to providing information on the impact of the Department's interventions, as opposed to those external factors.

The Department's interventions seek to change the behaviour of the persons who come under its care and control. The likelihood of individual offenders re-offending is assumed to be based, in part, on relatively stable (though potentially changeable) personal and social characteristics. Personal characteristics include violence propensity, substance dependence, attitudes and values supportive of criminality, as well as deficits in educational and occupational skills. Social characteristics include lack of social supports, homelessness and lack of employment. The Department therefore offers a range of services that are intended to:

- reduce the severity of antisocial traits
- build socially adaptive skills and abilities
- resolve or mitigate environmental obstacles faced by offenders.

In addition to attempting to encourage personal change, and providing support and assistance to offenders, the Department also provides monitoring of and direction to those offenders subject to community sentences and orders. In doing so, the Department endeavours to prevent offenders from relapsing into undesirable patterns of

behaviour, as well as enabling preemptive actions to be taken when risks become elevated.

It is recognised, however, that the Department cannot completely control the outcomes experienced by offenders. Limiting factors include:

- for many offenders, the sentence imposed is too brief in duration to allow meaningful engagement with services
- many offenders are not motivated to address the personal and social issues that underlie their offending risk (and there are seldom reasonable or effective ways to compel them to do so)
- when in the community, the location and behaviour of offenders cannot be continuously monitored, except in certain circumstances such as the first 12 months of an extended supervision order
- events and circumstances well beyond the control of the Department, which may dramatically and abruptly alter an offender's risk of re-offending, can (and frequently do) occur.

Fundamentally, criminality is understood to be a relatively robust and enduring personal characteristic in adult offenders. Even when exposed to the most sophisticated and intensive rehabilitative and reintegrative services, a substantial proportion of offenders will nevertheless go on to re-offend. The Department endeavours, through its suite of interventions, to reduce this proportion.

Further, in relation to the goal of safer communities generally, the Department's contribution is in reducing risk associated with offenders who have already come under its care and control. The Department can exert no influence that might prevent offending by those who have not previously been under its auspices, or to reduce the number of young offenders entering the criminal justice system for the first time.

Linking Outcomes to Outputs

The delivery of the Department's outputs directly contributes to the achievement of its outcomes. These linkages are demonstrated in the diagram on pages 24 to 25.

Departmental Contribution

To demonstrate success, processes must be in place to measure achievement. Progress made towards achieving the objectives and outcomes outlined in the Department's 2004/05 Statement of Intent are reported in this annual report. This annual report details the work the Department has completed with respect to initiatives associated with the four themes of its Strategic Business Plan 2003–2008, and the priority areas within those themes. It also reports on the performance measures and standards associated with the output classes.

The Department has developed a set of measures, based on data collected through its offender management processes and similar information obtained from corrections agencies in other countries, which enable comparisons to be made. These measures provide a good starting point for assessing the Department's performance and will be enhanced over time in conjunction with other justice sector agencies.

LINKING OUTCOMES TO OUTPUTS

PROTECTING THE PUBLIC

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



MEASURING EFFECTIVENESS

Output quantity, quality, timeliness and cost International benchmarks



THEMES

Ensuring effective offender management
Improving responsiveness to Māori
Enhancing capability and capacity

OUTCOME: SAFER

OUTPUT

1: INFORMATION SERVICES

Sentencing information and advice to courts

Parole information and advice to the New Zealand Parole Board

Home leave reports

2: COMMUNITY-BASED SENTENCES AND ORDERS

Supervision

Community work

Home detention orders

Parole orders

3: CUSTODY OF REMAND INMATES

Custody of remand inmates

4: ESCORTS AND CUSTODIAL SUPERVISION

Escort services

Courtroom custodial supervision services

5: CUSTODIAL SERVICES

Maximum security men

Medium security men

Minimum security men

6: INMATE EMPLOYMENT

Land-based activities

Manufacturing activities

Internal service self-sufficiency activities

7: REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

Responsivity/motivational programmes

Criminogenic programmes

Other rehabilitative programmes and activities

Education and training

Reintegrative services

8: SERVICES TO THE NEW ZEALAND PAROLE BOARD

Administrative, financial and secretariat services to the New Zealand Parole Board

9: POLICY ADVICE AND DEVELOPMENT

Policy advice and development services

Ministerial servicing

Psychological and other research

10: SERVICE PURCHASE AND MONITORING

Purchase and monitoring of service delivery

Inspectorate services

National systems services

COMMUNITIES

CLASSES

Home detention assessments to the New Zealand Parole Roard

Psychological Service information and advice to courts and the New Zealand Parole Board

Information services for extended supervision orders

Orders for post-release conditions Extended supervision orders

Women
Male youth
Drug reduction

Release to work
Vocational training services

Community services

Community residential centres and the Reducing Youth Offending Programme

Psychological services

Chaplaincy services

REDUCING RE-OFFENDING

R

Providing targeted rehabilitative and reintegrative initiatives to change offending behaviour by:

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

1

MEASURING EFFECTIVENESS

Output quantity, quality, timeliness and cost
International benchmarks
Recidivism index

Rehabilitation quotient



THEMES

Ensuring effective offender management
Improving responsiveness to Māori
Contributing to reducing re-offending
Enhancing capability and capacity

The Department also monitors the application of specific offender management processes to ensure they are properly and consistently applied. Individual processes are also reviewed periodically to ensure that they remain effective, and are amended where necessary. This activity is intended to support a process of continuous improvement while ensuring the integrity of the information used by the Department for assessing its contribution to outcomes.

Other Linkages

The measures described for Theme 1, ensuring effective offender management, and Theme 3, contributing to reducing re-offending, also provide information for Theme 2, improving responsiveness to Māori, because the data can be analysed by ethnicity. Theme 4 encompasses strategies and initiatives to enhance overall capability and capacity. These include targets for developing the capability of staff and managers and enhancing responsiveness to workplace diversity.

The Department has measures to monitor progress in these areas and will be developing them further. Other targets include the processes in place to develop new prisons, the programme for facilities maintenance and continuous improvement of systems.

International Benchmarking

The Department has developed close working relationships, and exchanges information, with a number of overseas jurisdictions, such as Australia, Canada, England and Wales, and Scotland. These relationships are facilitated through the Department's membership of the International Roundtable for Correctional Excellence, the International Corrections and Prisons Association and the Australasian Corrective Services Administrators' Conference and National Corrections Advisory Group. This information has been used to develop benchmarks comparing performance across a range of indicators, including prisoner-to-staff

ratios, costs of securing prisoners and occupancy statistics. This data is important because the Department is not able to compare performance in its core offender management functions against other New Zealand organisations.

Benchmarking also supports strategic advancement because it provides a means by which quality improvement can be identified and effected. Work continues on developing new measures and refining existing measures to ensure comparability. Current benchmarking data is included in the following sections of this annual report, and is published each year in international reports, including the Australasian National Corrections Advisory Group Comparative Analysis Report.

In making these comparisons, the Department assesses the comparability of the data in question. Where the iurisdictions have similar business operations, definitions and counting rules, there is high comparability, allowing benchmarking with no adjustments. Where the jurisdictions have similar business operations, but minor inconsistencies in definitions and counting rules, there is medium comparability, providing a reasonable benchmark comparison, although one that may require small adjustments to data and counting. Where the jurisdictions again have similar operations but different definitions and counting rules, adjustments would be required before true benchmark comparisons could be made, and therefore comparability is low. Such adjustments have not been made to the data reported in this annual report.

The Department's use of international benchmarking continues to develop. The data available still stands largely alone and further analysis is required before informed comparison may be made between New Zealand and its benchmark jurisdictions. Full comparisons need to take account of a range of variables. For example, Scotland, with lower costs than

New Zealand, also has lower prisoner-to-staff ratios, a higher occupancy rate and higher assault rates, but lower death rates and lower rates of escapes, while positive drug tests are at similar levels. From this, it is not yet possible to draw firm conclusions about the relative performance of the New Zealand and Scottish prison systems. Some observations, however, are made in the commentary accompanying the tables on the following pages.

Protecting the Public

The Departmental outcome of protecting the public is primarily attained by the strategies and initiatives outlined in Theme 1 of the *Strategic Business Plan 2003–2008*. Progress towards the achievement of the outcome is measured through analysis of data collected across a range of quality and effectiveness measures designed to ensure offenders are being managed in a safe, secure and humane manner. These include measuring and monitoring:

- compliance with, and the administration of, sentences and orders
- the number of escapes that occur from prisons and while under escort or supervision
- the number and severity of incidents, including deaths in custody.

A number of these measures are included in the statement of service performance for output classes 2 to 5 in Part 2. Other measures are included in the Department's performance monitoring framework or provided from internationally benchmarked data.

The graphs on the following pages illustrate the significant progress that has been made in recent years towards improving the Department's performance in a number of key areas. The information is also presented (where relevant) in comparison with the Department's international benchmark jurisdictions (as highlighted in the previous sub-section).

The following table details the specific indicators included within this section.

TABLE 7: SPECIFIC PERFORMANCE INDICATORS

Indicator type	Indicator	
Efficiency	Cost Per Prisoner Per Day – New Zealand	
	Cost Per Prisoner Per Day – International Comparison	
	Prisoner/Frontline Staff Ratio - International Comparison	
	Prisoner/Total Staff Ratio – International Comparison	
	Occupancy - New Zealand	
	Occupancy - International Comparison	
Quality	Prisoner/Prisoner Assault (Serious) - New Zealand	
	Prisoner/Prisoner Assault (Serious) – International Comparison	
	Prisoner/Staff Assault (Serious) - New Zealand	
	Prisoner/Staff Assault (Serious) - International Comparison	
	Unnatural Deaths in Custody – New Zealand	
	Unnatural Deaths in Custody – International Comparison	
	Suicides in Custody - New Zealand	
	Suicides in Custody – International Comparison	
	Breakout Escapes - New Zealand	
	Breakout Escapes - International Comparison	
	General Random Drug Tests - International Comparison	
Other indicators	Imprisonment Rate – International Comparison	

FIGURE 1: COST PER PRISONER PER DAY - NEW ZEALAND

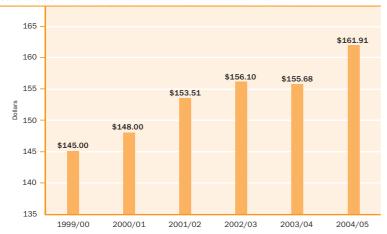


FIGURE 2: COST PER PRISONER PER DAY - INTERNATIONAL COMPARISON

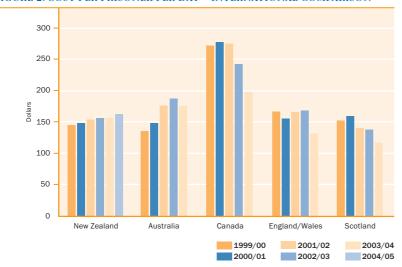
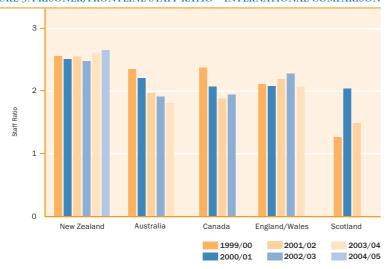


FIGURE 3: PRISONER/FRONTLINE STAFF RATIO - INTERNATIONAL COMPARISON



Cost Per Prisoner Per Day

One component in determining the performance of the corrections system is an assessment of the basis of the costs of accommodating a prisoner.

International comparisons of costs between jurisdictions are based on the average daily cost per prisoner using the Economist Annual Comparison Index. Despite a slight trend of increasing costs in New Zealand prisons, New Zealand ranks in the mid-range of the benchmarked jurisdictions.

Prisoner/Frontline Staff Ratio

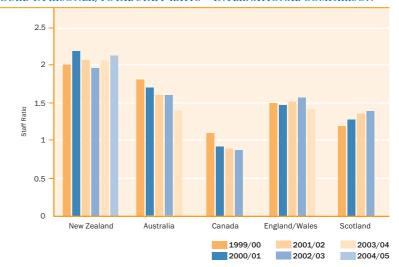
The ratio of prisoners to full-time equivalent (FTE) frontline staff identifies the number of prisoners for each staff member and thus highlights the level of staff supervision available. Figure 3 compares the ratio of the average number of prisoners per annum to FTE frontline staff at the reporting date, across jurisdictions. The New Zealand data excludes prisoners accommodated in the privately managed Auckland Central Remand Prison.

New Zealand has the highest number of prisoners to each frontline staff member (a five-year rolling average ratio of 2.5 from 1999/00 to 2003/04) of all the jurisdictions since 1999/00. Scotland had the lowest number (a three-year rolling average ratio of 1.6 from 1999/00 to 2001/02) but has not reported on this measure in the last two years.

Prisoner/Total Staff Ratio

New Zealand's ratio of prisoners to total staff exceeds that of the other international jurisdictions. In New Zealand there has been an average of two prisoners to one staff member over the period from 1999/00 to 2003/04.

FIGURE 4: PRISONER/TOTAL STAFF RATIO - INTERNATIONAL COMPARISON



Occupancy

Occupancy is based on the average number of available (permanent) prison beds and the average prison population for the year.

The optimum rate of prison utilisation is between 85 and 95 percent, which allows facilities to accommodate the transfer of prisoners, provide for special purpose accommodation (for example, protection units), provide separate facilities for males and females and for different security levels, and facilitates the management of shortterm fluctuations in prisoner numbers. New Zealand's occupancy rate will fluctuate over time, as new prison facilities are developed to cater for the increases in prisoner numbers. Average occupancy for the 2004/05 year was 99 percent although for much of the year the prison system was operating at full capacity with court and police cells used to accommodate prisoners.

Of the jurisdictions that provided data in 2003/04, none fell within the preferred range of 85 to 95 percent of design capacity for total prisoners. The comparability of the New Zealand data with the other jurisdictions is assessed as being medium-to-low.

FIGURE 5: OCCUPANCY - NEW ZEALAND

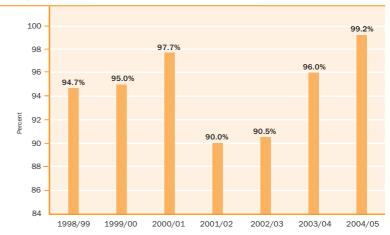


FIGURE 6: OCCUPANCY - INTERNATIONAL COMPARISON



Note: Data not available for Canada 2000/01, 2001/02 and 2003/04 or Scotland 2002/03 and 2003/04.

FIGURE 7: PRISONER/PRISONER ASSAULTS (SERIOUS) - NEW ZEALAND

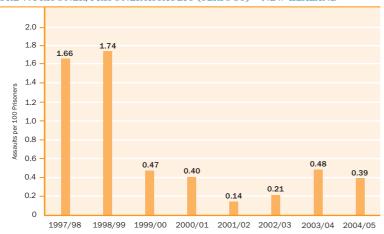
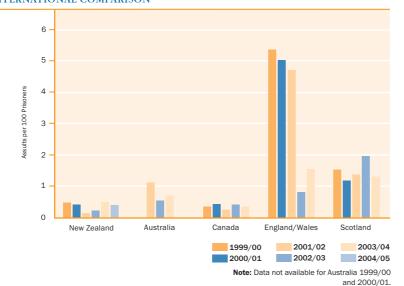


FIGURE 8: PRISONER/PRISONER ASSAULT (SERIOUS) - INTERNATIONAL COMPARISON



Prisoner/Prisoner Assault (Serious)

A serious assault is defined as one where the victim requires overnight hospitalisation or ongoing medical intervention. Figures 7 and 8 show the number of serious prisoner/prisoner assaults per 100 prisoners.

There was a steep decline in the number of serious assaults reported in New Zealand prisons between 1998 and 2002. That trend has changed slightly since 2002, but the results are still well below the rates reported in earlier years. The rate of 0.39 for 2004/05 represents a total of 18 serious assaults by prisoners on prisoners, and is a decrease of 40 percent on the result for the 2003/04 financial year. This represents a very favourable result despite the considerable operational pressures from the continuing high prison population levels.

Internationally, in 2003/04, New Zealand had a rate of serious assaults significantly lower than Scotland, Australia and England/Wales. The comparability of the New Zealand data is, however, low with Australia and is not directly comparable with the other jurisdictions because of different counting rules.

FIGURE 9: PRISONER/STAFF ASSAULTS (SERIOUS) - NEW ZEALAND

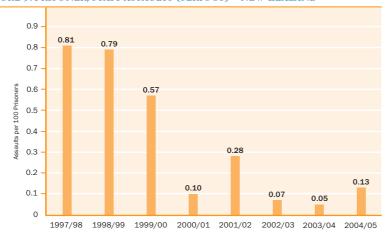
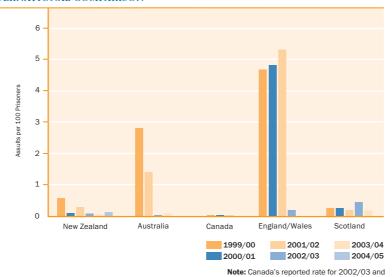


FIGURE 10: PRISONER/STAFF ASSAULTS (SERIOUS) – INTERNATIONAL COMPARISON



Prisoner/Staff Assaults (Serious)

Serious assaults by prisoners on staff are those where the victim requires overnight hospitalisation or ongoing medical intervention. The rate of serious assaults (prisoner/staff) is reported per 100 prisoners.

There were nine serious assaults on staff in 2004/05, and the overall trend continues to be downward. This represents a very favourable result despite the considerable operational pressures from the continuing high prison population levels.

New Zealand's low rate of serious prisoner/staff assaults is consistent with the other jurisdictions. England/Wales has not provided data for 2003/04, however, its serious assault rate reduced dramatically in the 2002/03 year. It is not apparent whether this is a result of improved prisoner management regimes or reporting/definitional issues. The comparability of this data is assessed as low.

2003/04 was nil.

FIGURE 11: UNNATURAL DEATHS IN CUSTODY - NEW ZEALAND

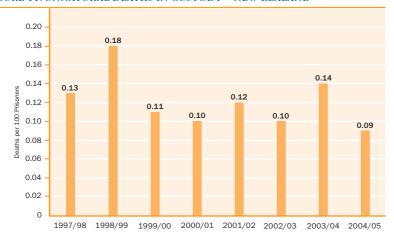
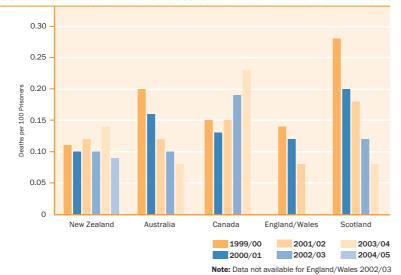


FIGURE 12: UNNATURAL DEATHS IN CUSTODY - INTERNATIONAL COMPARISON



Deaths in Custody

The corrections system has to deal with a high proportion of people with a propensity to self-harm in prison. Deaths in custody are regrettable and are a serious matter subject to independent investigation.

Unnatural Deaths in Custody

Unnatural deaths include suicides, homicides, deaths by drug overdose and deaths by accident. The majority of unnatural deaths in prisons are suicides.

Recent trends in this area in the New Zealand corrections system remain positive. In 2004/05, there were six unnatural deaths in prison (0.09 per 100 prisoners), which represents a decrease of 33 percent on the result for the 2003/04 financial year.

The rate of unnatural deaths in New Zealand remains below that of Canada, however, it has increased above that of Australia and Scotland. England/Wales have not supplied data on this measure for the last two years. The comparability of the New Zealand data is high with all the other jurisdictions.

and 2003/04.

FIGURE 13: SUICIDES IN CUSTODY - NEW ZEALAND

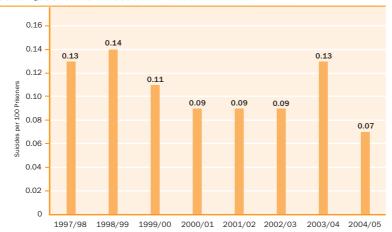
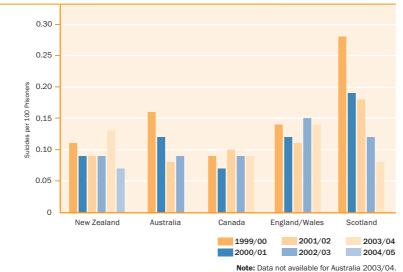


FIGURE 14: SUICIDES IN CUSTODY - INTERNATIONAL COMPARISON



Suicides in Custody

Prisoner suicide reduction continues to be a key priority for the Department. Figure 13 reports the trend in the number of suicides per 100 prisoners.

There were a total of five suicides in 2004/05, two remand prisoners and three sentenced prisoners. The total numbers of suicides in 2004/05 (0.07 per 100 prisoners) represents a decrease of 44 percent on the result for 2003/04, continuing the overall downward trend since 1998/99.

New Zealand's suicide rate has historically been lower than its international benchmark jurisdictions, apart from Canada, where prisoners sentenced to less than two years are not included in the federal statistics.

FIGURE 15: BREAKOUT ESCAPES - NEW ZEALAND

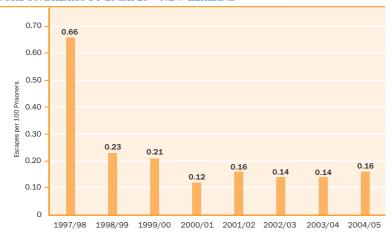


FIGURE 16: BREAKOUT ESCAPES - INTERNATIONAL COMPARISON

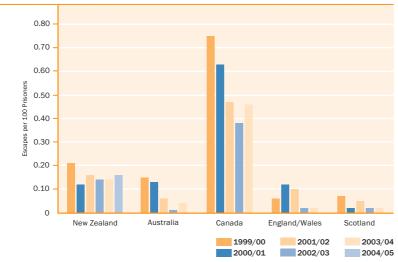
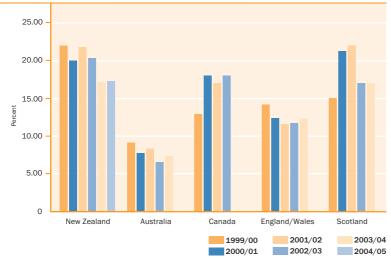


FIGURE 17: GENERAL RANDOM DRUG TESTS RETURNING A POSITIVE RESULT - INTERNATIONAL COMPARISON



Escapes from Prison

The total number of prisoner escapes in New Zealand against all security classifications in 2004/05 was 19, against an expected performance standard in 2004/05 of 40 escapes.

Figure 15 shows the trend in breakout escapes per 100 prisoners. A breakout escape is one where a prisoner has breached security measures and has physically left the area contained by the outermost perimeter security fence, or, if there is no such fence, prison buildings, police cell, court complex or other place of custodial control.

Of the 19 escapes for 2004/05, there was a total of 11 breakout escapes. Six of the breakout escapes were by prisoners being held in court cells.

The comparability of New Zealand data on breakout escapes is medium with Canada and Scotland, but low with Australia and England/Wales.
Canadian data excludes prisoners serving sentences of less than two years, who are not accommodated in federal prisons.

Drug and Alcohol Use by Offenders

In November 2004, the Department introduced its *Strategy to Reduce Drug and Alcohol Use by Offenders 2005–2008*. This strategy, the third to be released since 1998, builds on the progress achieved under the previous two strategies and outlines directions and initiatives for the 2005–2008 period and beyond. The primary point of difference from previous strategies is that the current strategy extends its focus, as much as practicable, beyond prisons to offenders serving community-based sentences.

The strategy also has an increased focus on what works to reduce drug and alcohol use by Māori offenders. A number of projects, outside the specific scope of the strategy, are being undertaken to improve the involvement of whanau, hapū, iwi and Māori providers in Corrections' work with offenders, but which will be relevant to future directions in reducing Māori offender drug use and re-offending. These projects include investigating the development of programmes for whanau that sit within or parallel to

offender programmes, and reviewing rehabilitation programmes (such as the 100-hour substance abuse programme) with the view to increasing whanau involvement.

The strategy recognises that a large proportion of prisoners have drug and alcohol problems. These problems are often a significant factor in their offending behaviours. Drug use in prison perpetuates the dependency problems and the illegal lifestyles of prisoners. It also creates problems for their relatives and friends (such as the pressure to supply drugs) and for prison staff in the management and rehabilitation of prisoners.

The Department's drug strategy is designed around three key objectives:

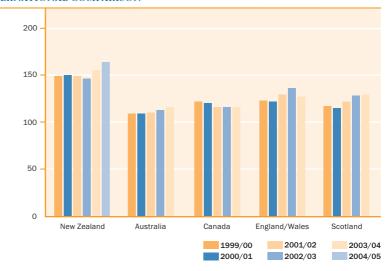
- enhancing efforts to reduce the supply of drugs to offenders
- strengthening efforts to reduce offenders' demand for drugs
- increasing attention on reducing the harm caused by drugs.

The strategy is supported by drug testing of prisoners and strict detection procedures. Drug detection dogs are regularly used at visitor checkpoints, and for random searches of prison buildings and land. Anyone found bringing drugs into a prison is banned from visiting the prison.

The total of positive results from general random drug tests for the year ended 30 June 2005 was 17 percent. Full results of drug tests are reported on page 112. Of the total positive results to general random drug tests in 2004/05, 93 percent were positive for cannabinoids, with the remaining 7 percent positive for other drugs. An international comparison of random drug-testing results is shown in figure 18.

The comparability of drug-testing results between jurisdictions is regarded as low. Although drug-testing practice is similar, there are differences between jurisdictions in the percentages of prisoners randomly tested, the treatment of refusals and the length of time prisoners must serve before being available for random testing.

FIGURE 18: IMPRISONMENT RATE PER 100,000 OF POPULATION - INTERNATIONAL COMPARISON



Imprisonment Rate

The imprisonment rate identifies the number of people imprisoned per 100,000 of the national population. This is an indication of the extent to which prison is used as a sentencing option by the judiciary.

New Zealand has the highest rate compared with other benchmarked jurisdictions. New Zealand has had the highest imprisonment rate of the five jurisdictions since 1997/98 and has continued to increase to a 2004/05 rate of 164 prisoners per 100,000 of national population. Canada has had a decreasing rate over the last five years while England/Wales and Australia show marginal increases. The Canadian data excludes those prisoners serving sentences of less than two years, who are not accommodated in federal institutions.

Reducing Re-offending

Progress towards the achievement of the departmental outcome of reducing re-offending is assessed through the use of two measures, the Recidivism Index (RI) and the Rehabilitation Quotient (RQ). Both measures use re-conviction data where the result is a sentence or order administered by the Department.

Recidivism Index

The Recidivism Index (RI) quantifies the rate of re-offending of a specified group of offenders over defined follow-up periods after release from a custodial sentence or commencement of a community-based sentence. The RI analysis gives re-conviction rates over 12 months for those released from prison, or who commenced a communitybased sentence, during the 2003/04 (1 April-31 March) year, and over 24 months for those released from prison, or commencing communitybased sentences, during the 2002/03 vear. RIs are reported for all offenders in each of the above categories, as well as for sub-groups within categories. Disaggregated RI figures are reported according to the following dimensions: gender, ethnicity, age, offence type, offence seriousness, sentence type (CPS), security classification and release type (PPS), and sentence length. This year, for the first time, RI figures are also reported in relation to offenders' assessed risk of re-offending.

The RI analysis uses re-conviction information obtained from the Ministry of Justice's Case Management System (CMS) database. The date of the re-conviction data extraction (for both 12- and 24-month follow-up periods ending 31 March 2005) was 30 June 2005.

RI figures are produced for two potential outcomes: re-conviction leading to any sentence administered by the Department, and re-conviction leading to imprisonment. Imprisonment figures are perhaps the more critical of the two measures, as this outcome is associated with more serious offences and higher costs of sentence administration. However, the majority

of re-convictions lead to non-custodial sentences, and general re-conviction figures generally provide a more complete measure of recidivism.

The RI figures exclude re-convictions that result in sentences not administered by the Department (for example, discharge following conviction, fines): such outcomes are usually associated with relatively minor offending that has little significance for public safety. As is also common internationally with measures of this type, the figures exclude re-convictions for administrative offences (for example, breaches of parole, failure to complete community work).

In developing the RI measure, along with other measures derived from its offender management processes, the Department has enabled comparisons to be made with correctional services in other countries. The current indicators provide a starting point for assessing the Department's performance, and will continue to be enhanced over time, in conjunction with other justice sector agencies. It should be noted, however, that the use of re-conviction data as indicators of Departmental performance is not straightforward: re-offending, re-conviction and sentencing are subject to a range of influences, many of which are outside the Department's direct control.

Changes to RI Computation

As noted in the 2003/04 Annual Report, the methodology used to generate the RI data was substantially changed from that used in earlier years. Use of the Department's data warehouse has enabled a higher level of precision and specificity to be applied to all aspects of the procedure, including the manner of dealing with individual records. This means that RI statistics for 2003/04 and 2004/05 may not be directly comparable to figures reported in prior years. In fact, the methodology has continued to undergo refinement in the last twelve months. While the refinements undoubtedly increase the level of accuracy of the latest figures, this caveat must be understood in comparing the results for the current and previous years.

When reporting RI figures by PPS release type, 2004/05 is likely to be the last year in which the reporting of RIs in relation to 'discretionary' and 'non-discretionary' parole release is meaningful. Since the 1 July 2002 implementation of the Parole Act, all persons sentenced to more than two years imprisonment are subject to New Zealand Parole Board discretion, and thus only a small and dwindling number of releases are now 'non-discretionary'.

Analysis of reported RI figures

Table 8 (page 38) provides re-conviction rates as recorded over 12 months, for those released from prison, or commencing community-based sentences, during the 2003/04 (1 April–31 March) year, and Table 9 (page 39) provides the rates over 24 months for those released from prison, or commencing community-based sentences, during the 2002/03 year. RI figures are reported for multiple categories of offenders, with significant variation observed in re-conviction rates between sentence types, offence types and demographic groups.

The overall RI results for 2004/05, when compared to the 2003/04 reported results, indicate a small percentage increase in average re-convictions and re-imprisonments for all offenders released from prison, but small decreases in re-conviction and imprisonment rates for offenders commencing community-based sentences.

RI Sub-group Comparisons

When examined by the sub-groupings for which RIs are calculated, notable features for those released from a custodial sentence (12-month follow-up) include the following:

 Males are re-imprisoned at a significantly higher rate than females (30% and 18% respectively) and re-conviction rates for male offenders released from prison are also higher than for female offenders (43% and 35% respectively).

- The re-imprisonment and re-conviction rates for Pacific peoples (18% and 28% respectively) were notably lower than those for Māori (32% and 47%) and Europeans (27% and 40%).
- Re-imprisonment rates reduce by approximately two-thirds as offenders age (offenders over 40 years are re-imprisoned at less than one-third the rate of those under 20), and vary markedly between offence classes (dishonesty offenders having the highest rates and sex offenders the lowest).
- Offenders released on home detention had re-conviction and re-imprisonment rates substantially lower than the average. This difference was particularly marked for those released from prison to 'back-end' home detention, with the re-imprisonment rate (10%) being lower than almost every other sub-group of released prisoners.
- Prisoners granted early release on parole ('discretionary' releases) were re-convicted at rates lower than those subject to other types of release (other than home detention); comparisons with the 2003/04 12-month RI figures for discretionary releases reveals almost a 5 percent reduction in re-convictions amongst this group.
- Re-imprisonment rates were higher for prisoners released from medium security classification (39% to 40%) than those for prisoners released from minimum security classification (25%).
- There is a tendency for shorter sentence length to be associated with higher rates of re-imprisonment and re-conviction: offenders serving sentences of between one and two years are re-imprisoned at a higher rate than offenders with a sentence length between three and five years (33% and 21% respectively); it is likely that older age (which bears a strong inverse relationship to risk) is linked to lower recidivism amongst longer-sentenced prisoners.
- For offence seriousness (the offence for which the person was originally convicted) a similar inverse

relationship with rate of re-imprisonment and re-conviction appears: medium seriousness score (for example, dishonesty, burglary) offenders are re-imprisoned at a higher rate than offenders with a very high seriousness score (approximately 35% versus 27% respectively).

Offenders serving community-based sentences had significantly lower imprisonment and re-conviction rates than offenders released from prison. In general, most of the trends noted for released prisoners above were evident for this population also.

Of interest is the fact that, although 'front-end' home detention is typically applied to those whose risk of offending is higher than other offenders serving community-based sentences, these home detainees recorded a rate of imprisonment that was almost equivalent to those sentenced to Community Work, and somewhat lower than those serving supervision orders. The 2004/05 reported re-conviction and re-imprison-ment rates for home detainees (both front- and back-end) are lower than the corresponding figures reported in 2003/04; in the case of front-end re-convictions, the reduction is 2.5 percent. A similar decrease is apparent for offenders sentenced to community work.

For both prison releases and community sentence offenders, the 24-month RIs generally show a predictable pattern, in that the 24-month RI figures typically increase by between 35 percent to 50 percent over the 12-month rates. This is consistent with a great deal of research on recidivism which indicates that the highest rate of re-conviction occurs within the first twelve months, with the proportion re-convicted in each successive year progressively smaller than in the previous year.

RI and offender risk scores

The Department has, since 2001, assessed each offender using a sophisticated computerised risk measurement procedure known as RoC*RoI (RoC refers to risk of re-conviction, RoI to risk of re-imprisonment). The process uses a range of

variables⁴ relating to each individual offender to calculate a score which indicates the relative probability that the offender will be re-imprisoned within the following five years.

A RoC*Rol score of 0.55 indicates a 55 percent likelihood that the offender will be re-imprisoned within five years. The Department uses RoC*Rol scores within its sentence management procedures primarily to determine the prioritisation of offenders for key rehabilitative services.

For the first time since adopting this form of offender risk assessment, the Department is able to report actual recidivism rates in relation to the risk scores of offenders. Table 10 (page 40) contains the percentages of offenders within each risk score decile band who were re-convicted and/or re-imprisoned. For example, the bottom row of the first sub-table within Table 10 (headed '12 months follow-up') indicates that, of all offenders (i) with a risk score of 0.9 or greater and (ii) released from prison during the 1 April 2003 to 31 March 2004 period, 88.9 percent were re-convicted within that 12 months period, and 79.6 percent were re-imprisoned.

The risk scores used were calculated at release from prison or start of community-based sentence, so any subsequent re-conviction for an offender (as is reflected in the RI rates) did not contribute to that individual's risk score calculation. The resulting data shows a very high level of correlation between risk scores and the incidence of re-conviction or re-imprisonment within the 12- and 24-months follow-up periods. As such these results offer an important and compelling validation of the Department's risk assessment methodology.

Re-conviction rates for both prison releases and community sentence offenders are very similar, but imprisonment rates are not. It appears that having been recently released from prison functions as a strong influence over the likelihood that, if convicted of a new offence, the sentence will be a further term of imprisonment.

⁴ Variables used in calculation of individual risk scores include current age, gender, age at first conviction, number and seriousness of convictions, number and type of previous sentences, and amount of time spent in custodial sentences.

TABLE 8: RECIDIVISM INDEX - 12-MONTH FOLLOW-UP (PERCENTAGES) FOR 2003/04

		Prison i	Prison releases		sentenced
Category	Group	Re-imprisoned	Re-convicted	Imprisoned	Re-convicted
All		28.9	42.6	8.0	29.2
Gender	Female Male	18.2 29.9	34.5 43.4	4.0 9.0	19.2 31.7
Ethnicity	European Māori Pacific Other (incl Asian)	27.2 32.0 17.7 15.8	40.0 47.0 27.8 23.2	6.8 9.7 5.9 4.5	26.9 33.0 23.1 15.7
Age (at PPS release or start of CPS sentence)	<20 years 20-24 years 25-29 years 30-39 years 40+ years	50.1 32.6 32.5 26.6 15.5	69.7 50.4 47.3 39.4 22.6	10.7 9.3 9.0 7.4 4.7	45.1 33.9 30.6 24.4 15.5
Offence (Most serious for original sentence)	Dishonesty Property Admin Violence Traffic Drug & Anti-social Sexual	44.5 33.1 33.4 25.5 20.7 16.8 9.9	60.3 46.3 49.1 39.7 34.4 27.2 15.8	12.1 8.9 7.7 7.9 5.5 7.0 5.3	40.1 34.9 22.8 29.5 23.6 24.5 18.3
Community-based Sentence	Supervision Community Work*	n/a n/a	n/a n/a	12.4 7.2	33.5 29.2
Prisoner Security Classification (at release)	Maximum** High-medium Low-medium Minimum	(see note) 38.8 40.4 25.1	(see note) 52.1 53.6 39.0	n/a n/a n/a n/a	n/a n/a n/a n/a
Release Type	Parole – discretionary Parole – non-discretionary Home Detention*** Post-release conditions****	23.5 24.3 10.0 31.7	29.6 31.9 13.5 47.3	n/a n/a 7.8 n/a	n/a n/a 17.4 n/a
Sentence Length	<=6 mths > 6mth but <1yr >1 to 2 yr >2 to 3 yr >3 to 5 yr >5 yr	29.0 30.4 33.2 26.2 20.9 18.9	43.6 46.6 48.7 34.5 27.3 25.3	7.3 13.0 12.6 n/a n/a	28.6 33.3 31.1 n/a n/a n/a
Seriousness Score****	Low (>0 to 30) Medium (>30 to 60) High (>60 to 120) Very high (>120)	25.8 36.9 33.3 27.5	39.1 53.6 48.8 39.9	6.8 11.6 11.3 9.7	25.2 38.6 40.4 36.4
All (2002/2003)		28.0	42.3	8.6	34.0

TABLE 9. RECIDIVISM INDEX - 24-MONTH FOLLOW-UP (PERCENTAGES) FOR 2002/03

		Prison releases		Community	sentenced
Category	Group	Re-imprisoned	Re-convicted	Imprisoned	Re-convicted
All		37.2	55.4	11.7	40.2
Gender	Female Male	22.0 38.2	47.6 55.9	6.2 13.2	28.5 43.7
Ethnicity	European Māori Pacific Other (incl Asian)	34.6 41.6 27.1 11.8	51.7 61.1 42.9 20.9	10.1 14.2 9.9 3.4	37.7 45.6 35.0 15.0
Age (at PPS release or start of CPS sentence)	<20 years 20-24 years 25-29 years 30-39 years 40+ years	59.2 44.8 39.1 32.3 24.6	79.3 68.2 57.1 51.4 35.1	15.5 13.9 13.6 11.3 7.5	60.5 48.5 41.5 35.1 24.8
Offence (Most serious for original sentence)	Dishonesty Property Admin Violence Traffic Drug & Anti-social Sexual	54.3 40.7 38.2 35.0 28.1 23.7 17.2	72.9 56.4 62.8 53.3 45.8 43.2 26.9	16.1 13.8 12.9 11.9 8.7 9.6 5.2	51.5 47.5 37.9 41.6 34.1 33.7 21.0
Community-based Sentence	Supervision Periodic Detention* Community Work* Community Service	n/a n/a n/a n/a	n/a n/a n/a n/a	17.1 9.6 11.4 2.9	44.9 45.3 40.0 22.7
Prisoner Security Classification (at release)	Maximum** High-medium Low-medium Minimum	(see note) 51.6 54.9 32.4	(see note) 66.5 69.6 51.7	n/a n/a n/a n/a	n/a n/a n/a n/a
Release Type	Parole – discretionary Parole – non-discretionary Home Detention*** Post-release conditions****	34.4 37.0 17.7 40.8	48.2 51.4 26.2 59.8	n/a n/a 13.4 n/a	n/a n/a 30.1 n/a
Sentence Length	<=6 mths > 6mth but <1 yr >1 to 2 yr >2 to 3 yr >3 to 5 yr >5 yr	36.5 40.6 42.2 35.9 29.2 26.2	58.1 60.0 58.5 49.9 43.6 35.4	10.8 17.3 20.1 n/a n/a n/a	39.5 45.4 40.4 n/a n/a n/a
Seriousness Score****	Low (>0 to 30) Medium (>30 to 60) High (>60 to 120) Very high (>120)	33.3 50.5 41.1 35.8	53.8 68.7 60.3 51.3	10.3 15.8 16.1 14.4	36.7 53.0 51.3 46.3

Notes for tables 8 and 9

The results highlight rates of re-conviction/re-imprisonment (within a subsequent 12-month period) amongst all offenders released from prison or commencing a new community-based sentence between 1 April 2003 and 31 March 2004. The source is CMS conviction and sentencing data, as at 30 June 2005.

* The Sentencing Act 2002 abolished Periodic Detention and replaced it with Community Work on 1 July 2002

** Insufficient numbers to report RI for prisoners released with a security classification of 'maximum'

**** Front-end' Home Detention reported as CPS new starts, 'back-end' Home Detention reported as PPS releases

^{****} Post-release conditions were introduced by the Sentencing Act 2002; order imposed by judge at time of sentencing
***** Seriousness scores derived from the Ministry of Justice 'offence seriousness scale'.

TABLE 10: RECIDIVISM INDEX BY RoC*RoI (PERCENTAGES)

12-months follow-up		Prison r	eleases	Community sentenced		
Category	Group	Re-imprisoned	Re-convicted	Imprisoned	Re-convicted	
All		28.9	42.6	8.0	29.2	
RoC*RoI (at PPS release or start of CPS sentence)	Less than 0.1 0.1-0.2 0.2-0.3 0.3-0.4 0.4-0.5 0.5-0.6 0.6-0.7 0.7-0.8 0.8-0.9 0.9 or more	2.6 7.6 9.6 15.2 21.1 32.9 37.7 53.8 60.1 79.6	4.9 14.0 19.6 28.6 37.4 51.6 55.9 68.1 73.3 88.9	1.7 4.4 6.1 8.1 12.0 16.7 22.0 30.3 37.5 54.7	12.3 23.3 29.4 34.4 41.4 48.6 54.4 67.0 72.2 90.6	

24-months follow-up		Prison r	eleases	Community sentence		
Category	Group	Re-imprisoned	Re-convicted	Imprisoned	Re-convicted	
All		37.2	55.4	11.3	40.2	
RoC*RoI (at PPS release or start of CPS sentence)	Less than 0.1 0.1-0.2 0.2-0.3 0.3-0.4 0.4-0.5 0.5-0.6 0.6-0.7 0.7-0.8 0.8-0.9 0.9 or more	3.3 10.2 16.4 20.7 31.9 38.9 54.3 63.2 75.2 93.3	8.4 23.9 32.1 43.9 53.6 63.0 73.9 80.6 90.0 93.3	2.8 6.2 9.1 13.4 18.7 23.8 30.2 39.1 44.6 64.0	18.5 31.3 42.1 50.5 56.2 64.8 71.6 81.6 85.9 96.0	

The highest risk offenders are re-convicted quite rapidly. The risk procedure predicts the expected rates of re-imprisonment within five years, but the highest risk groups appear to be hitting that level of re-imprisonment within two years. The model thus appears to be under-predicting the probability of re-imprisonment. This may reflect changes to the criminal justice processes over the past ten years: for example, a higher police offence resolution rate currently than occurred in the time period (circa 1990) from which were drawn the offending history details which provided the basis for the risk assessment algorithm.

Rehabilitation Quotient

The Department routinely delivers a range of rehabilitative and reintegrative interventions designed to enable offenders to lead law-abiding lives. These programmes have been designed and implemented in ways consistent with internationally-developed 'best practice' principles.

Research on outcomes from rehabilitative programmes has shown that significant reductions in reconviction and re-imprisonment can be achieved when this form of intervention is effectively delivered to appropriately selected offenders.

The purpose of the Rehabilitation Quotient (RQ) is to gauge the extent to which re-offending is reduced amongst those who received a rehabilitative intervention. In order to accurately measure the impact of the intervention. each 'completer' is matched with one or more 'controls' who are similar on key variables such as age, gender, assessed risk of re-offending, type of sentence (prison versus community), sentence length and, in some cases, offence type. The length of the followup period (eg. after release from prison, and during which reconviction is possible) for both groups is equivalent. Any differences in reconviction rates can then be interpreted as an indication of the programme's impact.

As with RI (discussed above), the Department has re-developed the RQ methodology within its data warehouse. This change offers a higher degree of reliability in respect of the figures produced, as the automated procedures ensure that matching occurs with a high degree of accuracy, and that individual records are handled in a consistent and valid manner.

Programme data are reported for offenders from two periods. Twelvemonth follow-up data relate to offenders who completed a programme between 1 April 2003 and 31 March 2004. The 24-month follow-up data are for offenders who completed a programme between 1 April 2002 and 31 March 2003.

For both groups, reconviction and sentencing data relate to any new offences committed after programme completion, and up to 31 March 2005. This information was extracted from the Ministry of Justice Courts Management

System (CMS) database on 30 June 2005

The RQ statistic signifies the percentagepoint difference in re-conviction/ re-imprisonment rates between offenders who completed individual programme types and matched 'untreated' offenders. A figure of 0.10 indicates that the reconviction rate of treated offenders is ten percentage points lower than the rate for controls (eg, if reconviction rates for treated offenders and matched controls were 15% and 25% respectively, the relevant RQ would be 0.10). A figure close to zero would indicate little or no difference in the reconviction rates between programme completers and controls.

International research in this area indicates that best practice, that is the most effective correctional programmes, can achieve only relatively modest reductions in re-convictions. The research generally shows that RQ-type scores of between 0.07 and 0.15 are attainable when adequate service delivery is targeted at appropriately selected offenders. Scores above 0.15 would be exceptional, and would generally only be expected from the most highly specialised and intensive of interventions.

Nevertheless, because of the high cost of crime even modest reductions can mean that those programmes are highly cost-effective. The Department is committed to ensuring that its rehabilitative programmes continue to develop to the point where they match, or exceed, the rates of reduced re-offending achieved elsewhere.

RQ data on intervention effectiveness produced this year are shown below in Tables 11 and 12. Results for only a proportion of the programmes delivered by the Department are presented. A number of programmes could not be included in the analysis because of inadequate sample sizes – low sample size can be a consequence of low starter rates or high noncompletion rates.

In addition to the results reported here, the Department applied the standard RQ analysis to its Straight Thinking programme. The results are not reported, as this programme is used primarily as a means of motivating offenders towards change (by agreeing to engage in a rehabilitative programme) rather than as a means of directly reducing re-offending.

Further, the RQ methodology meant that Straight Thinking results were derived solely from offenders who had not subsequently gone on to attend a rehabilitative programme (ie, data for those who had completed a subsequent rehabilitative programme were incorporated within the analysis of that rehabilitative programme). The preliminary analysis of Straight Thinking shows some negative results. More detailed analysis is required before it is possible to assess the true impact of Straight Thinking on re-offending - particularly when it is delivered as a motivator for other more intensive programmes.

Tables 11 and 12 show that most of the results are close to zero, reflecting no apparent impact of programmes on re-offending. Only one of the results reaches a level of statistical significance.

Positive results were recorded in relation to one sub-group of programmes, mainly the three prison-based drug and alcohol special treatment units (STUs), and the sex offender STUs operated by the Department's Psychological Service.

Negative results were recorded in relation to the 100-hour programmes. Closer analysis indicates that this effect may be concentrated on particular sub-groups of offenders. This is also in line with emerging international literature in this area, and suggests the need for further work on the targeting of these programmes. Further analysis will continue to be undertaken, and more comprehensive results will be reported next year.

Lack of statistical significance can be a result of small sample sizes. This problem can be overcome by combining data from multiple years (for a single programme type), or by combining data from similar programme types (eg, all 100-hour programmes) within a single year. Preliminary indications are that, when these methods were used, significantly positive results were obtained in relation to two sub-groups of programmes: the prison-based drug and alcohol STUs, and the sex offender STUs operated by the Department's Psychological Service. This finding is in accordance with more detailed evaluations previously published in relation to these programmes.

A further caveat on the interpretation of these results is that offenders managed by the Department have access to a wide range of services, including educational, employment and general living skills training, as well as various supports to assist with reintegration to the community. These services are available in varying degrees to offenders irrespective of whether they have also participated in the core rehabilitative interventions (the impact of which the RQ attempts to measure). At this stage the RQ methodology does not ascertain the nature and quality of these services as accessed by individuals, and does not take into account the relative contribution that each of these services may be making to final recidivism outcomes. However, it is widely accepted that the provision of education, training and reintegrative support services can have a significant impact on re-offending.

The Department is further strengthening its sentence management framework. The delivery structures for many of the Department's programmes (particularly the 100-hour programmes) are still in a developmental phase. The re-organisation of programme delivery services resulted in the establishment of Intervention Services in 2004. The Department is also seeking to improve facilitator training and skill development, their supervision, and general programme integrity.

TABLE 11: RQ RESULTS FOR REHABILITATIVE PROGRAMMES DELIVERED DURING 2002/03, WITH 24-MONTH FOLLOW-UP PERIOD (see Note 1 below)

	Prison Programmes		Community Programmes	
Intervention Type	Reconvicted	(Re-) Imprisoned	Reconvicted	(Re-) Imprisoned
Special Treatment Units (sex offending)	n/a	n/a	_	-
Special Treatment Units (alcohol & drugs)	0.16	0.10	_	-
100-hr Alcohol & Drugs Programme	-0.04	0.05	0.17	0.08
100-hr Generic Programme (M-PRO)	n/a	n/a	-0.15	-0.07
100-hr Driver Offender Programme (MODS)	-	-	0.06	0.04
Structured Individual Programme (SIP)	-	-	n/a	n/a
Community-funded violence programmes	-	_	0.05	0.02
Community-funded alcohol & drugs programmes	-	_	0.11	0.05

Note 1: Figures represent percentage-point *differences* between recidivism rates for treatment and control groups. Positive scores indicate a reduction in re-conviction/re-imprisonment for treated offenders (eg. 0.10 indicates that the rate of reconviction/re-imprisonment among treated offenders was 10 percentage points lower than the rate for untreated offenders).

Note 2: 'n/a' indicates that an RQ could not be calculated because the number of programme completers was insufficient; cells marked with a dash (—) indicate that the programme type is not delivered in that (prison or community) setting.

TABLE 12: RQ RESULTS FOR REHABILITATIVE PROGRAMMES DELIVERED DURING 2003/04, WITH 12-MONTHS FOLLOW-UP PERIOD (see Note 1 below)

Tobac well Taking (see note Takin)							
	Prison Programmes		Community Programmes				
Intervention Type	Reconvicted	(Re-) Imprisoned	Reconvicted	(Re-) Imprisoned			
Special Treatment Units (sex offending)	0.03	0.08	-	-			
Special Treatment Units (alcohol & drugs)	0.10	0.11	н	-			
100-hr Alcohol & Drugs Programme	-0.05	-0.01	-0.11	-0.08			
100-hr Generic Programme (M-PRO)	-0.04	-0.06	-0.09*	-0.04*			
100-hr Driver Offender Programme (MODS)	_	_	-0.01	0.00			
Structured Individual Programme (SIP)	_	_	-0.04	-0.02			
Community-funded violence programmes	_	_	0.01	0.02			
Community-funded alcohol & drugs programmes	_	_	-0.03	-0.02			

Note 1: Figures represent percentage-point *differences* between recidivism rates for treatment and control groups. Positive scores indicate a reduction in re-conviction/re-imprisonment for treated offenders (eg, 0.10 indicates that the rate of reconviction/re-imprisonment among treated offenders was 10 percentage points lower than the rate for untreated offenders).

 $\textbf{Note 2:} \ \, \textbf{An asterisk (*) indicates that the result is statistically significant.}$

Alternative Outputs Analysis

During the course of 2003/04, the Department closely examined the issue of intergenerational transmission of criminality: the processes that underlie the widely recognised phenomenon that the children of offenders have a very high risk of becoming offenders themselves. While useful analysis was completed, the Department concluded that it could not feasibly deliver effective interventions in this area, and therefore has sought to champion this issue in work undertaken by other agencies with a clearer mandate for such interventions.

In the same year, the Department considered prison design and staffing models that differed to the current preferred model. The outcome of the process was that the Department was satisfied that its present approach was entirely justified on fiscal, operational and rehabilitative grounds.

The Department is developing a cost/benefit model to assist with the evaluation of its rehabilitative programmes. With RQ data available for specific programmes, the development and implementation of the model will provide greater visibility of the actual and projected costs and benefits associated with rehabilitative programmes, and provide data to inform decisions about optimising the prioritisation of those programmes.

Evaluation, Research and Monitoring

The Department is committed to the development of evidence-based interventions that can be implemented successfully to assist with the achievement of outcomes. As part of this approach, the Department operates an active research and evaluation programme. The programme encompasses research on new interventions, assessment of the relevance of overseas approaches

in the New Zealand context, and evaluations of the performance of specific interventions.

Projects, including some multi-year projects, progressed during the 2004/05 financial year, were:

- study into the treatment of noncompletions and factors associated with participant drop-out from rehabilitative programmes, and strategies to intervene to promote programme completion
- development of a criminogenic (100-hour) programme for women offenders
- evaluation of the violence prevention unit
- investigation of the characteristics and needs of sex offenders against adults
- investigation of the characteristics and needs of very high-risk offenders.

KEY INITIATIVES DELIVERED DURING 2004/05

This section outlines the key initiatives delivered during the 2004/05 financial year. Each of these initiatives flows from the Department's *Strategic Buiness Plan 2003–2008* and is presented under the four themes that form the framework of that plan.

THEME 1 – Ensuring Effective Offender Management

Public safety is paramount to the Department's operations. The Department is committed to continuing to improve the way it manages offenders, both from a custodial and non-custodial perspective, by continuing its focus on the safe, secure and humane management of offenders.

The Department has implemented an integrated approach to the way that offenders are managed across all sentence types, lengths and locations. The focus in managing offenders effectively now moves to:

- · ensuring new processes, tools and procedures are operating as designed, and are consolidating the changes made
- ensuring that services are delivered within business-like principles and that the Department is continually improving business processes and identifying areas for review and redesign.

Strategy: Strengthen the corrections system's contribution to public safety

The Department is continuously seeking to improve the way in which offenders are managed to ensure that they are kept safe and secure and that the consequent risk to the public is minimised. Particular emphasis is given to improving the integrity of existing systems, making use of new technology and processes, and minimising factors like drugs in prisons that can undermine security.

Initiatives and Achievements 2004/05

Implement year one of the Department's 2005–2008 strategy to reduce drug and alcohol use in New Zealand prisons, specifically including increasing the number of drug dogs, and other initiatives arising from the strategy, subject to funding.

The Department's *Strategy to Reduce Drug and Alcohol Use by Offenders 2005–2008* was issued in September 2004. This is the Department's third such strategy. The strategy includes 18 initiatives under three key objective headings. Although work on the strategy has progressed, the substantive work on the majority of the initiatives will occur in the 2005/06 financial year and beyond.

One initiative within the strategy has been achieved, the acquisition of three additional drug detection dogs and the recruitment of three more drug dog handlers, who completed training in November 2004. The drug dog teams were subsequently deployed in Hawke's Bay, Wanganui and Christchurch.

Implement improved information sharing between agencies following enactment of the new corrections legislation when passed.

Information sharing requirements, as identified in the Corrections Act 2004, were negotiated during the year with external agencies, as appropriate. Implementation of the Act was deferred to 1 June 2005, but a revised Memorandum of Understanding with the New Zealand Police will be in place in the first quarter of 2005/06, to codify information-sharing protocols to take account of the revised legislation.

Strategy: Implement legislative reforms

The Department provides support for the development of new legislation with the potential to impact on the corrections system. The Department is also responsible for ensuring that all legislation, once passed, is implemented as intended.

Initiatives and Achievements 2004/05

Continue to provide support as required for enactment of new corrections legislation and begin implementation when passed.

The Department fully met all of its obligations in respect of implementing the new legislation. The Corrections Act was passed in June 2004 and the Department supported the implementation of the legislation through to the commencement date of 1 June 2005, including the development of the Corrections Regulations 2005.

Work undertaken by the Department to support implementation, and to ensure that all requirements of the new legislation were met prior to it coming into force, included the following:

- · all documentation, such as national systems, service descriptions and manuals, was reviewed and updated.
- a new delegations structure was in place from 1 June 2005 for making decisions about the management of offenders.
- the prison disciplinary process was reviewed, including the appointment of suitably trained hearing adjudicators.
- a new complaints process for the Community Probation Service was developed and implemented.

Integrate the Auckland Central Remand Prison into the Public Prisons Service following the enactment of the new corrections legislation when passed.

Planning for the transfer of the management of the Auckland Central Remand Prison from GEO New Zealand Pty Limited to the Department was completed in the first half of the year and the transition phase commenced in January 2005. A joint transition plan between the Department and GEO was developed and implemented. All elements of this plan were successfully completed, resulting in the smooth transition of the prison to the Department at midnight on 12 July 2005. Departmental work to support the transition included:

- · recruitment of new staff and the transfer of ex-GEO staff to the Department
- · training for new and transferring staff
- · reconfirming contracts and arrangements for property management, prisoner employment, education and health services
- · developing and implementing the operational policies and procedures within the prison
- integrating the Auckland Central Remand Prison information technology infrastructure into departmental systems
- developing and completing a handover agreement.

The signing of the handover agreement on 12 July 2005 confirmed the completion of all contractual responsibilities between the Department and GEO.

Implement the extended supervision regime for serious child sex offenders as required by the Parole (Extended Supervision) Amendment Act 2004.

Systems and procedures were established to support the implementation of the extended supervision regime, including the development and implementation of an extended supervision offender database and protocols with the New Zealand Parole Board, and guidelines, systems and procedures for managing offenders subject to the orders. New systems for the management of these offenders are now well established. The Department was required to make applications for orders in respect of transitional offenders by 7 January 2005. By that date, health assessments had been completed for 55 transitional offenders and, subsequently, applications for extended supervision orders were made for 41 such offenders. The overall status of the management of the extended supervision regime at 30 June 2005 is reported under Output 2.6 at page 122.

Strategy: Improve the general health of prisoners

Health issues, especially drug and alcohol dependency, have a direct impact upon offending behaviours. By taking steps to improve the health of prisoners, the Department not only provides a safe and humane environment for their containment but also contributes to reducing re-offending.

Initiatives and Achievements 2004/05

Continue implementation of the funded aspects of the Department's health review.

Implementation of the health review was progressed in line with the phasing in of the approved funding, and included implementation of the new clinical governance structure and recruitment of additional health staff. Recruitment of additional nursing staff was pursued in a competitive environment and a range of recruitment initiatives were implemented accordingly. A further nurse recruitment campaign was planned, together with a national recruitment and retention strategy. Work continued on Prison Health and Disability Support Service Specifications, a health services quality, monitoring, and compliance framework and the development of options for a health procurement strategy.

THEME 2 – Improving Responsiveness to Māori

The Department has identified the criticality of effectively addressing the needs of Māori offenders. Its *Māori Strategic Plan 2003–2008* outlines opportunities to build relationships and strengthen communications between Māori and the Department. Participation of Māori in the Department's activities and initiatives will improve the effectiveness of the services that the Department provides and help to achieve the contributory outcomes of protecting the public and reducing re-offending.⁵

Strategy: Include and engage Māori whanau and hapu

The success of the Department's efforts in working with Māori offenders can be enhanced by enabling effective whanau involvement in sentence management and reintegrative processes for those offenders.

Initiatives and Achievements 2004/05

Continue to implement the Whanau Involvement Plan.

The Whanau Involvement Plan was scheduled to be implemented in early 2005 but was delayed pending completion of work associated with the Department's responses to the State Services Commission-led ministerial review of targeted policies and programmes and work on high-priority Pacific initiatives, including development of the *Pacific Strategy 2005–2008*. Implementation of the initiatives in the Whanau Involvement Plan is now included in the Department's *2005/06 Statement of Intent*.

Strategy: Integrate Māori world views into programmes and services

Māori cultural values, philosophies and practices must be considered when the Department is developing effective programmes and services for Maōri offenders.

Initiatives and Achievements 2004/05

Implement year one of the women's Tikanga Māori programme in the Public Prisons Service.

Four Tikanga Māori programmes for women were planned to commence in the third quarter of 2004/05 – one at Waikeria Prison, two at Arohata Prison and one at Christchurch Women's Prison. However, delivery only occurred at Waikeria Prison, because the initial process did not identify suitable providers for Arohata and Christchurch Women's prisons. A tender process in the first quarter of 2005/06 will select appropriate providers for delivery at Arohata and Christchurch Women's prisons.

Strategy: Build the responsiveness of the Department

A capable and responsive workforce assists the Department's effectiveness in implementing Māori initiatives and managing relationships with Māori communities.

Initiatives and Achievements 2004/05

Revise recruitment methodology to better enhance the Department's ability to attract and recruit Māori staff and managers.

The Department encouraged the development of local recruitment initiatives by, and through, its service delivery entities. Different approaches to recruitment included links to national events of importance for Māori, such as significant hui and festivals.

⁵ Additional information about the Department's work in improving responsiveness to Māori is included within the Reducing Inequalities Report on pages 182-8.

THEME 3 – Contributing to Reducing Re-offending

One of the outcomes for the Department, and therefore a theme area, is to contribute towards an overall reduction in the level of re-offending.

Using a range of strategies and initiatives the Department will work to address the risks of re-offending. This will be achieved through the provision of rehabilitative and reintegrative interventions and activities designed to assist offenders to address their offending behaviours and return successfully to the community.

Strategy: Increase the effectiveness of initiatives to reduce re-offending

The Department has invested significantly in best practice approaches towards the successful rehabilitation and reintegration of offenders in recent years. Evaluation and continuous improvement of these approaches is critical to ensuring ongoing effectiveness in reducing re-offending.

Initiatives and Achievements 2004/05

Implement new reintegrative initiatives arising from Budget business cases, as agreed with the Minister of Corrections.

The Minister of Corrections launched the Wellington Regional Reintegration Coordinator pilot in November 2004. All reintegration worker pilot positions (at Waikeria and Arohata prisons) were fully operational at the end of the year, and a report on the pilots was provided to the Minister in June 2005. The reintegration workers promote a range of services that are provided within prisons and in the community.

Other initiatives and strategies developed within the reintegration framework included a pre-release education programme, a communication strategy for stakeholders, a release package for prisoners and enhancements to data capture and monitoring systems.

The Auckland Prisoners' Aid and Rehabilitation Society was selected and contracted to provide the Supported Accommodation Service pilot in Auckland.

Strategy: Reduce the incidence of violent re-offending

Significant growth in prisoner numbers in the 1980s and 1990s has been caused mainly by an increase in the number and severity of violent crimes. Addressing the causes of violent offending would create fewer victims and produce significant savings in the costs of imprisonment and other justice sector costs.

Initiatives and Achievements 2004/05

Continue to contribute to the national rollout of the inter-departmental Circuit Breaker project on family violence.

Inter-departmental work continued against the national implementation plan. The Community Probation Service maintained representation on each of the 14 Circuit Breaker teams. Work during the year also focused on finalising an integrated quality assurance and audit process that met the needs of all five funding agencies involved in the project.

Strategy: Improve outcomes for Pacific peoples

Around 11 percent of the prison population is Pacific peoples. Compared with other groups, Pacific offenders have a higher rate of conviction and commit more serious and violent offences. However, they have lower rates of re-offending. The Department has developed the Pacific Strategy with specific areas of intervention for this offender group.

Initiatives and Achievements 2004/05

Develop the requirements for a Pacific Focus Unit at the Spring Hill Corrections Facility.

The operating principles for the Pacific Focus Unit at the Spring Hill Corrections Facility were completed, while the operating requirements and the operating model for the unit will be developed in the first quarter of 2005/06.

Continue to progress the initiatives outlined in the Pacific Strategy including:

- implementation of the Pacific Violence Prevention Programme
- develop mechanisms to evaluate effective programmes for Pacific offenders
- undertake research into the specific issues and needs of New Zealand-born Pacific offenders.

Saili Matagi, the Pacific Violence Prevention Programme, was implemented at Auckland Prison following a successful pilot in 2003/04. The Department approved a new framework for the evaluation of Pacific interventions, and completed research on issues for New Zealand-born Pacific offenders.

A new *Pacific Strategy 2005–2008* was also developed during the year, and subsequently launched by the Minister of Corrections on 29 July 2005.

Strategy: Return young offenders to a positive role in society

Young offenders have a significantly high re-offending rate and early intervention may prevent young offenders from proceeding to a lifetime of further offending. Over recent years, the Department has introduced initiatives, such as youth units and the Reducing Youth Offending Programme, which are specifically aimed at preventing young offenders from continuing on a path to adult crime.

Initiatives and Achievements 2004/05

Complete, in conjunction with Child, Youth and Family, Year 3 of the Reducing Youth Offending Programme pilot and continue evaluation.

Year three of the Reducing Youth Offending Programme pilot was completed at the two pilot sites in Auckland and Christchurch, and the evaluation process is continuing. During the year, the programme faced a number of challenges relating to referral rates and staffing, but these issues were managed and have improved as the year progressed.

THEME 4 - Enhancing Capability and Capacity

To achieve the first three themes the Department requires increased capability and capacity. This theme focuses on ensuring the Department has in place the right resources, people, support systems and infrastructure.

Enhanced capability and capacity is also required to ensure that the Crown assets for which the Department is responsible, are efficiently and effectively used towards the achievement of government outcomes.

Strategy: Develop the capability and capacity of staff and managers

In order to achieve its strategic direction the Department needs to have the right human resources capability. To ensure this, the Department will build manager capability through selection, development and support initiatives; increase employee capability; and focus on recruitment, retention and succession issues.

Initiatives and Achievements 2004/05

Implement initiatives outlined in the management development strategy, including manager assessment, training and succession planning.

Under the Management at Corrections programme, training modules for performance management, responsiveness, managing financial and business information, and health and safety were developed, piloted and implemented. In addition, a number of the Department's managers progressed through the leadership assessment centre managed by the Leadership Development Centre. As a result of resourcing constraints, it was not possible to implement processes to identify high-potential managers for succession and higher development purposes. However, the Department's Services have implemented Service specific management development programmes to complement the departmental Management at Corrections programme.

Strategy: Provide an increasingly safe and healthy work environment

A safe and healthy work environment involves full adherence to Occupational Safety and Health (OSH) and Accident Compensation Corporation (ACC) standards. This, in turn, requires good compliance processes, the provision of appropriate training, and a performance management system that targets and rewards safe and healthy work practices.

Initiatives and Achievements 2004/05

Develop and begin implementation of the National Health and Safety Strategic Plan 2005–2008.

A *National Health and Safety Strategy 2005–2008* was approved. The strategy was developed in the context of the Government's Workplace Health and Safety Strategy to 2015, which was released in June 2005. A National Health and Safety Plan has also been approved, which identifies appropriate actions in support of the health and safety strategy to 2008.

Strategy: Provide facilities to meet projected demand

The Department needs to ensure that it has sufficient facilities in place to address the projected increase in the number and geographic distribution of prisoners. This not only involves building more prisons, but also ensuring that it has sufficient, trained staff and support systems in place.

Initiatives and Achievements 2004/05

Continue the implementation of the Government's regional prisons policy, which includes:

- complete the construction of and commission the Northland Region Corrections Facility
- · complete the planning approval process and begin required earthworks at the Spring Hill Corrections Facility
- complete the planning process, including the review of any High Court designation appeals, and begin construction of the Auckland Region Women's Corrections Facility
- progress any appeals through the Environment Court and/or commence construction of the Otago Region Corrections Facility.

The Northland Region Corrections Facility was officially opened by the Minister of Corrections on 8 March 2005. All operational handover and commissioning work was completed in advance of the first prisoner receptions on 29 April 2005 and commissioning of the facility proceeded as planned. The phase-in of prisoners was slightly ahead of schedule at 30 June 2005, with 93 beds occupied compared with the 72 beds originally planned. It is anticipated that commissioning of the facility will be completed in the second quarter of 2005/06.

Construction of the Auckland Region Women's Corrections Facility is well advanced and is due for completion in 2006, while commissioning planning for this facility has been progressed. Earthworks for the Spring Hill Corrections Facility were completed during the year and begun for the Otago Region Corrections Facility. Both facilities are expected to be completed in 2007.

In response to prison population pressures, the Government approved the construction of 493 new beds at existing prison sites. Work began during the year and will continue in 2005/06.

Strategy: Maintain existing facilities as appropriate

The Department has fixed assets worth approximately \$850 million, with the majority of these being prison facilities. The Department's maintenance programme outlines the work required to ensure that these facilities remain safe and secure.

Initiatives and Achievements 2004/05

Complete implementation of business continuity planning.

Business continuity plans for the Department's groups and services were approved. Head Office plans were tested in desk-top exercises, including the development of arrangements to use alternative sites in the event of an emergency. Documentation of business continuity plans was completed for the Department's individual services, with plans being held at each site.

RISK MANAGEMENT

The Department recognises that risk management is an integral component of its operations. Risk management is the ongoing requirement to identify and address risk that may impact on the achievement of objectives and the delivery of services.

Risk Management Overview

A risk management framework was implemented across the Department in 2001. A key objective since then has been to ensure the fundamentals of the framework are firmly incorporated into management practices. The Department's risk management framework is based on the Australian/New Zealand standard AS/NZ 4360:1999 Risk Management, which has recently been updated by AS/NZ 4360:2004. The Department is assessing its risk management framework against the revised standard.

The risk management framework is overseen by the Department's Assurance Board, which comprises the Chief Executive and external appointees. The Department also operates a number of separate control mechanisms, including the Internal Audit and Prison Inspectorate functions within the Strategic Services Group, peer review of processes within the Public Prisons Service and an internal control framework.

Departmental Risks and Uncertainties

Throughout 2004/05, the Department was under constant pressure because the increasing demand for prisoner beds at times exceeded the Department's 96 percent maximum operational capacity across almost all of its correctional facilities. By way of long-term risk mitigation, the Department implemented a building programme to accommodate the increased numbers of prisoners. In the short term, the Department employed risk mitigating strategies by using police and court cells to accommodate transitioning remand and sentenced prisoners temporarily and instituted doublebunking where possible in existing

facilities. The ongoing uncertainty for the Department is the continued effective management of increasing prisoner numbers in the short-term whilst completing construction and commissioning of new correctional facilities in the medium term.

Compounding this uncertainty is the accurate forecasting of future numbers of prisoners in the light of increased police clearance rates and a 25 percent increase in the number of sentences of less than six months being imposed in preference to non-custodial sentences.

Increased prisoner numbers challenged departmental resources and increased the risk of rehabilitative interventions not meeting the objective of reducing re-offending. This risk is primarily realised in the event of noncompliance with assessment and sentence management processes for short-serving prisoners. For longerserving prisoners, the risk for the Department resides in rehabilitative programmes and interventions being delivered at too low a level and not targeting the offenders' most prevalent criminogenic needs to impact positively upon reducing re-offending. The current and developmental risk mitigation strategies being undertaken by the Department involve improved induction processes, reviews of assessment methodologies, data measurement methodologies, targeting and programme delivery strategies, criminogenic programmes, and improving operational training and delivery. In common with overseas corrections jurisdictions, the Department shares an uncertainty that mitigation strategies aimed at ensuring opportune and effective rehabilitative interventions, require research, measurement and evaluation and are difficult to deliver.

The management of high-risk offenders presented a range of issues, particularly in respect of those released back into the community. This placed additional pressures on the Department to deliver sentence management, deal satisfactorily with the victims, provide adequate resources to maintain business systems to the required quality level, and publicity strategies to manage the possibility of offenders re-offending. The risk mitigation strategies deployed by the Department to manage these issues included:

- implementation of processes for identification, notification and management of high-risk offenders
- working closely with the New Zealand Parole Board and other agencies within the justice sector
- development of a media strategy to manage publicity surrounding highrisk offenders
- the implementation of procedures to identify and process all transitional offenders.

Risk to Achieving Outcomes

The management of risks is integral to the Department's operational approach on a day-to-day basis. It uses a series of short-term tactical strategies to manage unexpected risks, with longer-term risk management factored into its strategic planning processes. In this way, the Department seeks to minimise risk to the overall achievement of departmental outcomes.

Risk Identification Process

The risk management process involves the identification, analysis and evaluation of risks, and the implementation of effective risk mitigation strategies. Table 13 identifies the most significant risk areas and describes the mitigating strategies in place to ensure the risks do not eventuate.

TABLE 13: RISK MANAGEMENT STRATEGIES

Risk Area	Mitigating Strategies
Effective management of high-risk offenders	The Department has implemented policies for the identification, notification, and management of high-risk offenders
The Regional Prisons Development Project	Ongoing project monitoring and assurance activities are in place
Performance requirements for Corrections Inmate Employment	Ongoing monitoring and review of prisoner employment activities are in place
Sufficient staff capability and capacity to deliver effective offender management	Resources have been dedicated to: training and development of staff, and monitoring achievement of standards recruitment campaigns
Effectiveness of rehabilitative interventions designed to contribute to reducing re-offending	Ongoing development, implementation and improvement of evidence-based specialist rehabilitative programmes Increased litigation by offenders Implementation and ongoing monitoring of national compliance processes for core operational management systems
The integration of Auckland Central Remand Prison into the Public Prisons Service	Plans are in place to ensure effective integration within expected financial and operational criteria
Meeting demand for prisoner beds within the Department's physical and staffing capacity	The Department is implementing measures to provide additional temporary and permanent capacity to address current and future demand
Public confidence in the corrections system	The Department has implemented appropriate communications and media-management policies
Recruitment and retention of staff for the Public Prisons Service	The Department has implemented a major recruitment campaign both domestically and internationally and has established a working party to consider recruitment and retention issues

CAPABILITY

In achieving successful delivery of outputs and making the appropriate contribution to departmental and shared outcomes, the Department has developed its people and infrastructure. This investment in improved capability was appropriately prioritised and underpinned by clear linkages to results.

Output Pricing Review

A departmental output pricing review, conducted in conjunction with central agencies in 2002/03, concluded the Department was facing significant funding issues primarily because of the accumulated impact of unfunded and volume pressures. The result was that the Department's output delivery was being adversely affected and its capability and capacity diminished.

The Government provided additional funding for the Department to restore and maintain capability progressively from 2003/04. This has enabled the Department to plan delivery against successive Statements of Intent with assurance and to begin to rebuild its capability and capacity to deliver effective service. The review identified, however, the possibility of future consideration of some information technology and asset and property issues.

The review enables the Department to:

- provide additional resources for the Psychological Service (\$1.076 million)
- support the work of the New Zealand Parole Board (\$0.889 million)
- enhance the investment in training and development for staff and managers (\$8.665 million)
- increase the number of Probation Officers, together with improved training programmes for them (\$9.100 million)
- develop risk assessment procedures for prisoners (\$0.775 million)
- carry out additional property maintenance (\$2.605 million)
- provide ongoing support for the information technology platform and infrastructure (\$8.570 million)

• improve health services for prisoners (\$4.531 million).

The figures above are GST exclusive and represent permanent increases in funding from 2006/07 onwards per annum. In agreeing to proceed, the Government also decided that a review of the effectiveness of the funding provided would be undertaken from 2005 onwards.

Funding 2004/05

In addition to the output pricing review commitments, the following funding was made available as part of the 2004 Budget:

- construction of new corrections facilities in Auckland, Waikato and Otago
- increases in the number of New Zealand Parole Board hearings and home detention orders
- assuming responsibility for the Auckland Central Remand Prison
- enhancing security measures that reduce the supply of drugs into prisons
- continuation of reintegrative support services including the contract with the New Zealand Prisoners' Aid and Rehabilitation Society and contributing to the costs of volunteer organisations and volunteers
- implementation of extended supervision orders for serious child-sex offenders on their release from prison.

Funding Outlook for 2005/06

The following funding has been made available as part of the 2005 Budget decisions:

- operating costs associated with the Auckland Region Women's Corrections Facility
- capital funding for the completion of construction, commissioning fit-out and ongoing operating costs for the Spring Hill Corrections Facility and the construction costs associated with the Otago Region Corrections Facility
- funding for an increased number of reports to the New Zealand Parole Board
- funding to maintain the increased number of New Zealand Parole Board hearings
- expansion of services to assist prisoners to reintegrate successfully back into the community
- funding for demand driven costs associated with unexpected prisoner levels, including capital funding for additional accommodation at existing prison sites
- funding for monitoring of prisoners' telephone calls and to increase crime prevention information capability.

Supporting the Strategic Business Plan, the Department has developed four operational strategies. These strategies provide an approach for the four capability areas outlined below.

Facilities and Infrastructure

The Department's physical infrastructure, and the management systems required to operate it, has been subject to change and expansion since 1995.

The growth in the prison population in recent years, in excess of forecast trends, has necessitated an expansion in new prison facilities and infrastructure, as well as addressing the capacity of some existing prisons and developing options to meet prison demand post-2008.

During the past year, the most important infrastructure issue for the Department was applying the regional prisons policy in a consistent manner and in managing the pressures generated by increased numbers of prisoners. Planning for this involved the commissioning of new facilities and the maintenance and improvement of existing facilities to ensure that they complemented the regional prisons policy. Maintenance issues included energy efficiency and compliance with occupational safety and health requirements.

The Facilities and Infrastructure Operational Strategy 2003–2008 involves activity in the following key areas:

- implementation of the Regional Prisons Development Project
- economical management of the maintenance of existing facilities and other assets
- ensuring facilities and infrastructure (application of new technology) support the effective management of offenders and facilitate rehabilitation
- developing positive relationships with communities.

The first of four new corrections facilities, the 350-bed Northland Region Corrections Facility at Ngawha, near Kaikohe, was officially opened in March 2005, and is planned to be operating at full capacity in the second quarter of 2005/06. During the year, construction commenced on the other three new corrections facilities. The 650-bed Spring Hill Corrections Facility is under construction at a site between Meremere and Te Kauwhata and is scheduled to open in 2007. Construction commenced on the Auckland Region Women's Corrections Facility, a comprehensive 286-bed prison in Manukau City planned to be opened in 2006. The Department also started

construction of a 335-bed facility in Otago. The site for the Otago Region Corrections Facility is at Milburn, south of Dunedin and this facility is scheduled to receive prisoners in mid-2007.

Construction of 493 new beds at existing prison sites began in 2004/05 and will continue in 2005/06. This will see the addition of new accommodation at a number of sites, as well as the modification of infrastructure and facilities. The Department also worked on design options associated with consideration of the future of Mt Eden Prison.

The Department has made a concerted effort over the last seven years to improve the overall state of its property portfolio. Accordingly, capital was received to refurbish buildings to meet health and safety standards and provide a sustainable working environment. At the same time, the prison portfolio has been expanding by an average of 220 beds per year and work is in hand to provide for predicted custodial requirements to 2008. The Department has addressed critical building work, principally compliance with health and safety legislation. Funding for deferred maintenance has been provided through to the end of 2005/06 and is prioritised to achieve legislative compliance and meet health and safety standards. Major refurbishment projects at Wanganui, Manawatu, Arohata, Rimutaka and Christchurch prisons have been substantially completed, although the remainder of this work will extend into 2005/06. Deferred maintenance funding has also enabled extensive modifications at Invercargill, Hawke's Bay, Christchurch Women's and Auckland prisons. Work on these sites has been commissioned and will be completed by the end of 2005/06.

A security review completed in 2004/05 resulted in seven prison sites receiving major improvements to perimeter fencing. These sites were also upgraded with metal detectors and improved security camera coverage. A complete reissue of radio communication equipment was also achieved along with many other recommended small-scale improvements.

There has been an ongoing rationalisation of property for Probation and Offender Services. This has involved the co-location of services and the construction of larger combined facilities in the property portfolio owned by the Department. The future direction is for more co-location and responding to changing property needs.

During the year, Corrections Inmate Employment invested in expanding productive capacity in both land-based and manufacturing enterprises. This involved developing large-scale livestock enterprises at several sites, and developing or refurbishing facilities to accommodate prisoner employment activities that operate in as commercial a manner as possible. Corrections Inmate Employment also invested funds to replace kitchen and laundry equipment for providing internal services more efficiently, and for initiatives to centralise kitchen and laundry services.

Information Technology

Information technology (IT) strategies have been progressively developed, since the Department's inception in 1995, to provide the key business systems needed to manage a large organisation. Standard IT systems were established, as well as a national system for offender management. These strategies focused on developing appropriate infrastructure and systems for the Department.

The Information Technology Strategy 2003–2008 aims to:

- consolidate the existing infrastructure, operational and basic managerial systems
- continue, and strengthen, the management and cost-effective delivery of systems
- continue the evolution of the offender management system to support developing offender management business processes
- design better managerial processes and business decision making, based on quality information from the base business information systems and the data they contain, to support

- the growth of a knowledge-based management organisation
- maintain and improve current operational systems and ensure they continue to add value
- increase user satisfaction with the delivery of IT services
- continue the proven practices that exist and underpin the delivery of all IT support.

The Department has built an IT service appropriate to its size and business needs.

The Integrated Offender Management System (IOMS) was implemented in 1999 and today it is used by most operational staff on a daily basis. Major rollouts have progressively delivered functionality, initially for day-to-day offender management and then followed by sentence planning and management, and management of rehabilitative programmes. Development was affected by the introduction of the Sentencing Act 2002 and Parole Act 2002, which required extensive changes to IOMS.

A major review of IOMS and its relevance to the operations of the Department was completed in 2003/04. The review confirmed the effectiveness of the system and identified the ongoing development requirements for the next eight years. Development of a data warehouse began in 2003/04 and has continued to meet demand for management information.

Major IT initiatives undertaken during 2004/05 included:

- continued development of the Department's data warehouse
- implementation of new systems, including the provision of kiosks, to make information more readily available to prisoners
- development of an electronic document and record management system
- implementation of system enhancements following the IOMS review
- development of the Department's enterprise architecture.

Human Resources Management

Early human resources development assisted the Department through its establishment phase by focusing on putting in place basic policies, procedures and systems and then supporting the changes required by the development and implementation of a new approach to managing offenders.

The Human Resources Operational Strategy 2003–2008 is intended to support the Department's outcomes by building on its existing culture and capability through key initiatives grouped under the following themes:

Alignment of Organisational Culture

- more clearly define the desired organisational culture with which to align human resources policy and practice
- evolve a leadership style supporting the organisation's emerging stage of development
- influence the organisational culture to match more closely that required to support the organisational direction, and the values and ethics of the Department and the public service
- improve relationships between management, employees and their representatives
- develop the work environment to be increasingly safe and healthy for employees and visitors, the public and offenders.

Responsiveness to Māori and Diversity

- increase the number and proportion of Māori and Pacific staff in management and key roles, especially those dealing with Māori and Pacific offenders
- increase awareness of all staff about: Māori and Pacific cultures; women; youth; those with disabilities and health problems; and other groups represented within the offender population
- recognise and value the specific contributions that Māori and Pacific peoples, male and female staff are able to make towards organisational responsiveness within the Department

- identify and eliminate barriers to Māori and Pacific peoples and female staff progressing into senior roles and positions of influence
- recent responsiveness initiatives include implementation of a Te Reo Strategy, responsiveness training for staff, development of a responsiveness training module for managers and consideration of a Māori name for the Department.

Enhancement of People Capability and Capacity

- develop manager and staff capacity in readiness for opening of new prisons
- focus on developing manager competence
- build management and staff capability for the future
- focus on specific recruitment and retention issues
- provide more effective support for managers
- assist managers to develop the competence of frontline and support staff.

An Effective Human Resources Framework

- develop and continuously improve the human resources framework within the Department
- develop the human resources information systems
- support managers and staff to align their actual practice with required policy and desired practice.

The Department now has robust human resources policies and practices. Further work is required to integrate the management development component into a single departmentwide framework, linked with wider public service initiatives. Additional work is also required to address recruitment and retention issues, especially those associated with the commissioning of new prison facilities. The Department has also made progress on identifying what it needs to do to be more responsive to Māori, Pacific peoples and other groups. A number of initiatives have been piloted for wider implementation. While

progress has been made, it will take some time for the current initiatives to produce results in terms of increased representation of Māori and Pacific staff in key roles across the Department.

Central to the development of desired organisational culture has been the Department's focus on its Values Statement: PRIDE, which stands for Professionalism, Responsiveness, Integrity, Diversity, Effectiveness and Efficiency. The PRIDE values have been reinforced throughout the Department, and through the recently developed award scheme, PRIDE in Corrections - a Chief Executive Award, which recognises and rewards staff who demonstrates the Department's PRIDE values. The scheme will be implemented during 2005/06 along with other initiatives aimed at embedding values and shaping desired culture throughout the Department.

In 2003, the Department achieved primary status in the ACC Partnership Programme and has maintained this status through successive annual audits. The Department has successfully implemented a system for employee representation and provides ongoing training for its elected representatives and staff serving on health and safety committees. Significantly, the frequency and severity of injuries continue to fall and the Department is committed to further consolidation and reinforcement of the systems and processes implemented to date.

As part of the Department's commitment to manager development (the Management at Corrections initiatives programme), four training modules were developed in 2004/05. These modules will be progressively implemented in 2005/06 along with the development of further core products and greater linkages to the opportunities provided by existing public service development programmes.

Other key human resources initiatives progressed during 2004/05 included:

development of a new three-year
 National Health and Safety Strategy

- continued development of the Department's Human Resources Performance Monitoring Framework
- development of the new Te Reo Strategy
- continued delivery of the Department's Future Leaders and Career Workshops programmes
- continuation of the Probation and Offender Services management capability project
- implementation of 'core' training for Corrections Inmate Employment instructors
- assessment of a range of initiatives targeting recruitment of staff into the Department
- the introduction of a new scheme to recognise long service.
- development of the Probation Officer curriculum.

Communications

Earlier communications strategies focused on supporting the organisation through a period of sustained change and resulted in:

- the Department developing a robust corporate identity
- the development of policies and systems to support the proactive management of external and internal relations, including specific tools to support interactions with Māori and Pacific peoples
- the establishment of a consistent, professional and credible interface between the Department and the media, for managing routine enquiries and major incidents
- improved public awareness and understanding of the Department's role and responsibilities, and improved stakeholder support for major initiatives and projects
- a focus on consultation with communities at both regional and national levels.

The goals of the *Communications Operational Strategy 2003–2008* are to:

- foster internal appreciation of, and commitment to, the Department's strategic direction and how we work together to achieve it
- increase external awareness, understanding of, and support for, the role of the Department and the issues and challenges in managing offenders
- build communications activities for specific initiatives that give focus to, and reinforce, the four themes underpinning the Department's strategic direction.

Current communications challenges in supporting the overall strategic direction include issues of working together as an organisation, increasing community involvement with the Department's work and ensuring that the Department's perspective is included in media coverage and public debate.

The challenge of increasing staff understanding and support for the strategic direction is a vital component of enhancing the Department's capability and capacity. With much already achieved in terms of establishing an overall identity, there is now an emphasis on internal relationships and improving staff understanding of the organisation as a whole.

In recent years, the Department has increasingly emphasised the importance of working with communities and stakeholders. As a result, the Department has been more proactive about the way in which it communicates with the public and community groups. In particular, the increased focus given by the Department to initiatives involving Māori and Pacific peoples has required the development of specific communications activities to support these.

With high public interest in the Department's work, there will frequently be reactive management of media interest in specific events. The Department may receive upwards of two hundred media enquiries each month and a new Media Centre section has been added to the Department's website to assist journalists' access

to factual information and data. In addition to responding to and providing balance and context to these enquiries, a wide range of proactive communications initiatives were undertaken in the year, including support for:

- the opening of new facilities, including the Northland Region Corrections Facility
- · staff recruitment campaigns
- the introduction of new Corrections legislation
- the launch of new departmental strategies, including the *Pacific Strategy 2005–2008* and the

Strategy to Reduce Drug and Alcohol Use by Offenders 2005–2008

- the launch of new reintegrative initiatives and pilot programmes
- the publication of research and evaluation results
- public open days at several Corrections facilities
- the facilitation of documentary filming proposals on aspects of Corrections operational activities
- production of internal and external publications, including the Department's flagship publication Corrections News.

Capital Expenditure

Capital expenditure is incurred by the Department in accordance with financial delegations from Cabinet to the Chief Executive through the Responsible Minister. The requirements of the Public Finance Act 1989, State Sector Act 1988, Treasury Instructions and any other legislation governing the operations of the Department are also complied with when any capital expenditure is incurred.

Capital expenditure trends and forecasts are shown in figure 19.

FIGURE 19: CAPITAL EXPENDITURE TRENDS AND FORECASTS

	2005/06 Forecast \$000	2004/05 Actual \$000	2003/04 Actual \$000	2002/03 Actual \$000	2001/02 Actual \$000	2000/01 Actual \$000
Land and buildings						
New regional prisons	266,000	153,440	60,371	33,790	13,660	10,080
Prison expansion – additional beds	86,000	28,200	_	24,060	32,950	22,090
Design options associated with the						
consideration of the future of Mt Eden Prison	4,500	520	_	_	_	_
Security projects, including fences	_	1,780	10,930	3,730	3,700	6,080
Health and safety work	22,000	15,920	1,993	5,410	4,110	2,640
Deferred maintenance work	32,500	18,930	12,457	3,230	2,690	_
Probation and Offender Services						
accommodation	6,000	3,680	1,703	2,570	4,510	1,520
Sub-total	417,000	222,470	87,454	72,790	61,620	42,410
Inmate employment projects	4,500	3,490	5,118	5,450	3,540	3,490
Plant and machinery, equipment,						
motor vehicles, and furniture and fittings	9,140	6,450	6,560	4,470	6,790	7,250
Information technology	16,000	12,130	6,690	10,170	13,220	11,450
Total	446,640	244,540	105,822	92,880	85,170	64,600

COLLABORATION WITH OTHER AGENCIES

To achieve the best results from its activities, the Department works closely with the core justice sector agencies – the Ministry of Justice (justice sector policy and courts), New Zealand Police (operational decisions affecting the management of offenders) and Child, Youth and Family (youth justice). Close collaboration is also maintained with the Ministry of Social Development (employment and industry-accredited training initiatives for prisonsers) and the Ministry of Health (forensic mental health and intellectual disabilities).

The Department also has in place a number of agreements with other government departments and agencies to assist with achieving its goals of protecting the public and reducing re-offending. The Department is also represented on a large number of local, regional and national intersectoral committees, established to contribute towards achievement of key government goals. These inter-agency agreements and intersectoral committees are discussed further in the Sustainable Development Report in Part 3.

During the 2004/05 financial year, the Department addressed a number of priorities, in collaboration with other agencies, as follows:

- improving information-sharing arrangements with external agencies within the context of the implementation of the Corrections Act 2004 and Corrections Regulations 2005
- working with the Ministry of Health to develop options for the delivery of primary health care services for prisoners
- continuing, in its third year, the pilot Reducing Youth Offending Programme with Child, Youth and Family
- contributing to the development of a second national mental health plan
- departmental contributions to the Budget Input Steering Committee
- participation in the State Services
 Commission-led ministerial review of targeted policies and programmes

 joint initiative work with the Ministry of Social Development to introduce Work and Income staff to prisons to help offenders make a smooth transition from prisoner to employee.

State Services Development Goals

The Department does not work in isolation. It is one of many government departments, and one of several agencies in the justice sector, as highlighted above. In March 2005, the State Services Commission announced six development goals, intended to apply to all government agencies:

- Employer of choice ensure the state services is an employer of choice, attractive to high achievers with a commitment to service
- Excellent state servants develop a strong culture of constant learning in the pursuit of excellence
- Networked state services use technology to transform the provision of services for New Zealanders
- Coordinated state agencies ensure the total contribution of government agencies is greater than the sum of its parts
- Accessible state services enhance access, responsiveness and effectiveness, and improve New Zealanders' experience of state services
- Trusted state services strengthen trust in the state services, and reinforce the spirit of service.

The Department's work needs to be aligned with these development goals in the future. In terms of 'coordinated state agencies', the Department's closest links within the public service are with other agencies in the justice sector. What happens in the justice sector as a whole has a significant impact on the Department, and close collaboration in a whole-of-government manner will assist each agency to become more effective.

Justice Sector

The justice sector comprises the core agencies of the Ministry of Justice, Department of Corrections, New Zealand Police, the Crown Law Office, Serious Fraud Office, and Child, Youth and Family.

The sector works collaboratively with the Ministry of Social Development, Ministry of Health, Ministry of Education and Te Puni Kōkiri. It also has links with a number of Crown agencies including the Legal Services Agency, Human Rights Commission, Office of the Privacy Commissioner, Office of the Ombudsmen, Police Complaints Authority, Law Commission, New Zealand Council of Victim Support Groups, Electoral Commission and elements of the New Zealand Public Trust.

The success of the justice sector is dependent on all agencies coordinating their activities to ensure that individual issues are addressed in the most effective manner, as illustrated below.

TABLE 14: THE JUSTICE SECTOR



Justice Sector End Outcomes

The core agencies of the justice sector have developed two sector end outcomes to guide the work of the sector:

- safer communities
- a fairer, more credible and effective justice system.

These end outcomes reflect the importance of crime reduction priorities and ensuring the justice system continues to meet the needs of society.

Justice Sector Intermediate Outcomes

Following the development of the justice sector end outcomes of safer communities and a fairer, more credible and more effective justice system, the core sector agencies developed two sets of more specific intermediate outcomes. Each of the core agencies is responsible for adopting, refining and progressing those intermediate outcomes that relate directly to their strategic direction.

End Outcome

Safer communities

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

This outcome focuses on the key government goal of building safe communities, and is aligned with the priorities of the Government's Crime Reduction Strategy. Community safety influences the way people engage in social, productive or creative enterprises or activities. People are assured when there are core safety functions, less crime and a visible police service that meets communities' expectations to lead safe lives. Safety is also enhanced when communities are supported in their desire to be safe through locally based government agencies and organisations.

The characteristics of safer communities require:

- · the reduction of crime
- · enhanced road safety

Reduced theft of and from cars

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

Intermediate Outcomes Reduced youth offending Reduced offending by Māori Reduced violence Reduced family violence Reduced burglary Reduced organised crime Reduced serious traffic offending

End Outcome

A fairer, more credible and more effective justice system

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

This outcome focuses on the key government goal of reducing inequalities by better coordination of strategies across sectors. New Zealand's justice system comprises constitutional arrangements and legal frameworks, civil and criminal structures, police investigations, judicial processes and dispute resolution, and offender management.

The characteristics of a fair and effective justice system require:

- laws, regulations, policies and practices that provide certainty for people in their relationships with each other and with the government and its agencies
- an appropriate balance between the powers of the State and individual rights and freedoms, including the right to question the actions of public agencies
- equitable, easily accessible and credible justice services that are understood by the people using them
- · timely processes and fair results
- the confidence of the public
- · courts that protect the rights and freedoms of natural persons and are independent (constitutional integrity)
- the right to due process (that is, the right to be represented in court by a lawyer, have evidence heard in an open court, have cases proved beyond reasonable doubt, appeal against a conviction, etc)
- disputes between individuals, groups and/or companies dealt with by the rule of law (business contracts, wills, tax, land and other property, cases where negligence has caused another's loss, and family matters)
- · robust appointment processes for judges and a well-supported judiciary
- · accountability for criminal offences through sentences that are seen to be appropriate and fair
- · protection for the vulnerable
- the rights of victims to be protected and their interests properly taken account of
- · fair treatment of offenders
- unimpeachable integrity from individuals and agencies within the system
- historical Treaty claims being resolved in a fair, durable and timely manner
- a parliamentary electoral system, which is managed in a way that maintains the confidence of citizens, political parties and Parliament.

Intermediate Outcomes

Improved access to and delivery of court services, and Child, Youth and Family services

Improved public confidence in the Police, judiciary and other justice institutions

Improved relationships between the Crown and Māori



PART 2 – FINANCIAL SUMMARY AND 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 2005.

Signed

Barry MatthewsChief Executive

30 September 2005

Countersigned

John Ryan

Chief Financial Officer 30 September 2005



AUDIT REPORT

TO THE READERS OF THE DEPARTMENT OF CORRECTIONS' FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

The Auditor-General is the auditor of the Department of Corrections (the Department). The Auditor-General has appointed me, H C Lim using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Department, on his behalf, for the year ended 30 June 2005.

UNQUALIFIED OPINION

In our opinion the financial statements of the Department on pages 67 to 144:

- comply with generally accepted accounting practice in New Zealand; and
- · fairly reflect:
- the Department's financial position as at 30 June 2005;
- the results of its operations and cash flows for the year ended on that date;
- its service performance achievements measured against the performance targets adopted for the year ended on that date; and
- the trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2005.

The audit was completed on 30 September 2005, and is the date at which our opinion is expressed.

The basis of the 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 our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements 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. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

The audit involved performing procedures to test the information presented in the financial statements. 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 disclosures are adequate.

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

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

Responsibilities of the Chief Executive and the Auditor

The Chief Executive is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Department as at 30 June 2005. They must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. In addition, they must fairly reflect the trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2005. The Chief Executive's responsibilities arise from the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit, we have entered into the following engagements that are compatible with those independence requirements:

- assurance-related assignments in the areas of tendering and project management;
- · provision of assistance to internal audit; and
- secondment of a staff member to the Department's corporate finance team.

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

H C Lim

Audit New Zealand

On behalf of the Auditor-General

il frank

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 2005 included on the Department of Corrections' website. The Department's Chief Executive is responsible for the maintenance and integrity of the Department of Corrections' website. We have not been engaged to report on the integrity of the Department of Corrections' website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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 30 September 2005 to confirm the information included in the audited financial statements presented on this website.

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

FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES

For the Year Ended 30 June 2005

Reporting Entity

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

These are the financial statements of the Department of Corrections prepared pursuant to section 35 of the Public Finance Act 1989 (as if that section had not been amended by the Public Finance Amendment Act 2004), in accordance with section 33 of the Public Finance Amendment Act 2004.

The Department has reported the Crown activities and trust monies that 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) and any transfer made by Order in Council under section 5 of the Public Finance Act 1989, in accordance with section 33 of the Public Finance Amendment Act 2004.

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 uncollectable debts.

Operating Leases

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

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 three years. Additions between revaluations are recorded at cost.

The three-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 in the revaluation reserve, the debit balance will be expensed in the Statement of Financial Performance.

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.

Forests

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

The result of revaluing forestry is credited or debited to the Statement of Financial Performance.

Depreciation

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

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

Buildings	50 years	(2%)
Buildings – fit-outs	3 to 20 years	(33.3% to 5%)
Hut complexes	25 years	(4%)
Hut fit-outs	3 to 20 years	(33.3% to 5%)
Leasehold improvements	10 years	(10%)
Plant and machinery	10 years	(10%)
Office equipment	5 years	(20%)
Tools and equipment	5 years	(20%)
Furniture and fittings – office	5 years	(20%)
Furniture and fittings – prisoner	3 years	(33.3%)
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 – 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 or net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the first-in first-out basis for finished goods and work in progress, and the weighted-average basis for raw materials. Cost comprises direct material and direct labour together with an appropriate portion of fixed and variable production overheads.

Employee Entitlements

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

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

Statement of Cash Flows

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

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

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

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

Livestock

Livestock is valued annually using 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 or net realisable value. Investments arise from the Department's dealings with companies in the farming industry.

Foreign Currency

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

Financial Instruments

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

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

Goods and Services Tax (GST)

The Statement of Unappropriated Expenditure and the Statement of Departmental Expenditure and Appropriations are inclusive 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 1994. 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

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

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

STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 30 June 2005

30/06/04 Actual			30/06/05 Actual	30/06/05 Main Estimates	30/06/05 Supp. Estimates
\$000		Notes	\$000	\$000	\$000
	Revenue				
462,142	Crown		514,375	510,103	534,375
1,276	Departmental		3,346	2,908	4,261
25,752	Other	1	25,444	23,498	26,498
489,170	Total operating revenue		543,165	536,509	565,134
	Expenditure				
240,949	Personnel costs	2	265,632	260,788	280,540
150,562	Operating costs	3	169,392	163,546	172,202
44,511	Depreciation	4	48,831	52,509	52,726
51,897	Capital charge	5	53,839	59,666	59,666
487,919	Total output expenses		537,694	536,509	565,134
7,697	Other expenses	6	(11,559)	_	_
495,616	Total expenses		526,135	536,509	565,134
(6,446)	Net surplus/(deficit)		17,030	_	_

 $\label{thm:companying} \textit{Accounting policies and notes form part of these financial statements}.$

STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS

For the Year Ended 30 June 2005

30/06/04 Actual \$000		Notes	30/06/05 Actual \$000	30/06/05 Main Estimates \$000	30/06/05 Supp. Estimates \$000
610,557	TAXPAYERS' FUNDS BROUGHT FORWARD AS AT 1 JULY Movements during the year (other than flows to and from the Crown)		672,989	676,489	672,989
(6,446)	Add/(deduct) net surplus/(deficit) Increase/(decrease) in revaluation		17,030	-	-
20	reserves	7	88,671	_	_
(6,426)	Total recognised revenues and expenses for the period		105,701	-	-
	Adjustment for flows to and from the Crown Add capital contributions from the				
69,761	Crown during the year Provision for payment of surplus to	7	180,083	138,683	180,083
(1,251)	the Crown Other Add/(deduct) asset/liability transfers	13	(5,471)	_	-
348	between the Department and the Crown	า	_	-	_
68,858	Total adjustments for flows to and from the Crown		174,612	138,683	180,083
672,989	Taxpayers' funds at end of the year		953,302	815,172	853,072

 $\label{thm:companying} \textit{Accounting policies and notes form part of these financial statements.}$

STATEMENT OF FINANCIAL POSITION

As at 30 June 2005

30/06/04 Actual			30/06/05 Actual	30/06/05 Main Estimates	30/06/05 Supp. Estimates
\$000		Notes	\$000	\$000	\$000
	ASSETS				
	Current assets				
78,735	Cash and bank balances	16	85,836	31,682	27,386
643	Prepayments		952	850	650
5,306	Debtors and receivables	8	4,833	4,300	6,406
4,569	Inventories		4,557	4,100	4,731
89,253	Total current assets		96,178	40,932	39,173
	Non-current assets				
6,840	Livestock		8,350	6,526	6,840
5,673	Investments	9	6,278	5,748	5,719
652,182	Physical assets	10	986,376	846,043	886,758
664,695	Total non-current assets		1,001,004	858,317	899,317
753,948	Total assets		1,097,182	899,249	938,490
	LIABILITIES				
	Current liabilities				
36,492	Creditors and payables	11	93,100	43,400	42,579
1,332	Provisions	12	1,984	-	- 12,010
1,002	Provision for repayment of surplus		2,00.		
1,251	to the Crown	13	5,471	_	_
31,026	Provision for employee entitlements	14	33,516	28,000	32,941
70,101	Total current liabilities		134,071	71,400	75,520
	Term liabilities				
10,858	Provision for employee entitlements	14	9,809	12,677	9,898
10,858	Total term liabilities		9,809	12,677	9,898
80,959	Total liabilities		143,880	84,077	85,418
	TAXPAYERS' FUNDS				
672,751	General funds	7	864,393	814,954	852,834
238	Revaluation reserves	7	88,909	218	238
672,989	Total taxpayers' funds		953,302	815,172	853,072
753,948	Total liabilities and taxpayers' funds	•	1,097,182	899,249	938,490

The accompanying accounting policies and notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2005

30/06/04 Actual		30/06/05 Actual	30/06/05 Main Estimates	30/06/05 Supp. Estimates
\$000	Notes	\$000	\$000	\$000
	CASH FLOWS FROM OPERATING			
	ACTIVITIES			
	Cash provided from:			
	Supply of outputs to			
462,142	Crown	514,375	510,103	534,375
1,276	Department	3,346	2,908	4,261
24,460	Other	26,574	23,498	25,398
	Cash disbursed to:			
(234,121)	Personnel	(264,191)	(260,788)	(280,540)
(151,437)	Operating	(149,062)	(163,546)	(171,042)
839	Net GST paid	(3,765)	_	(666)
(51,897)	Capital charge	(53,839)	(59,666)	(59,666)
51,262	Net cash flows from operating activities 15	73,438	52,509	52,120
	CASH FLOWS FROM INVESTING			
	ACTIVITIES			
	Cash provided from:			(40)
_	Sale of investments	_	4.070	(46)
1,656	Sale of physical assets	1,144	1,072	850
(4.07.4.07)	Cash disbursed to:	(0.4.0, 0.4.0)	(040,004)	(000.405)
(107,167)	Purchase of physical assets	(246,313)	(212,301)	(283,105)
(105,511)	Net cash flows from investing activities	(245,169)	(211,229)	(282,301)
	CASH FLOWS FROM FINANCING			
	ACTIVITIES			
	Cash provided from:			
69,761	Capital contribution from the Crown	180,083	138,683	180,083
	Cash disbursed to:			
(1,146)	Payment of surplus to the Crown	(1,251)	_	(1,251)
68,615	Net cash flows from financing activities	178,832	138,683	178,832
14,366	Net increase/(decrease) in cash held	7,101	(20,037)	(51,349)
64,369	Opening total cash balances at 1 July	78,735	51,719	78,735
78,735	Closing cash balances as of 30 June	85,836	31,682	27,386

The accompanying accounting policies and notes form part of these financial statements.

STATEMENT OF COMMITMENTS

As at 30 June 2005

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.

30/06/04		30/06/05
Actual		Actual
\$000		\$000
	Non-cancellable accommodation leases	
5,254	Less than one year	7,091
3,837	One to two years	6,276
8,332	Two to five years	13,702
1,740	More than five years	5,781
19,163		32,850
	Commitments arising from other contracts	
28,842	Less than one year	20,876
12,577	One to two years	15,850
22,273	Two to five years	22,255
_	More than five years	_
63,692		58,981
	Capital commitments	
50,740	Less than one year	136,272
91	One to two years	1,370
_	Two to five years	_
_	More than five years	
50,831		137,642
133,686	Total commitments	229,473

The increase in accommodation commitments is largely due to the renewal of leases on premises occupied by the Community Probation Service and Head Office Groups.

The increase in capital commitments is largely due to the contracts entered into for the construction of Auckland Region Women's Corrections Facility, Spring Hill Corrections Facility and the additional 493 bed programme at various existing sites.

STATEMENT OF CONTINGENT LIABILITIES

As at 30 June 2005

30/06/04 Actual \$000		30/06/05 Actual \$000
5,915	Legal proceedings	5,564
1,088	Personal grievances	815
7,003	Total Contingent Liabilities	6,379

The Department is defending 28 legal proceedings claims by prisoners and external parties as at 30 June 2005. They cover a range of areas, including breach of the New Zealand Bill of Rights Act 1990 and breach of contract.

The Department is also defending personal grievances made by 42 staff members.

The Department considers the majority of these claims to be low risk.

Guarantees and Indemnities

The contracts entered into by the Department have been reviewed and all guarantees and indemnities fall into normal business guarantees and indemnities, which are non-quantifiable.

STATEMENT OF UNAPPROPRIATED EXPENDITURE

For the Year 30 June 2005

(Figures are GST-inclusive where applicable)

30/06/04 Unapprop. Expenditure	3	0/06/05 Actual	30/06/05 Appropriation	30/06/05 Unapprop. Expenditure
\$000	Output Class	\$000	\$000	\$000
_	Information Services	31,479	31,751	_
_	Community-based Sentences and Orders	71,165	74,053	_
_	Custody of Remand Inmates	78,872	81,979	_
_	Escorts and Custodial Supervision	7,713	8,184	_
_	Custodial Services	325,274	335,522	_
_	Inmate Employment	32,063	41,809	_
_	Rehabilitative Programmes and Reintegrative Services	45,746	48,669	_
_	Services to the New Zealand Parole Board	6,035	6,114	_
_	Policy Advice and Development	5,602	5,973	_
_	Service Purchase and Monitoring	1,640	1,720	_
_		_	_	_
5,197	Other Expenses	_	_	_

STATEMENT OF DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS

For the Year Ended 30 June 2005

(Figures are GST-inclusive where applicable)

(Figures are GS1-inclusive where applicable)	30/06/05 Expenditure Actual \$000	30/06/05 Appropriation Voted* \$000
VOTE: CORRECTIONS		
Appropriations for classes of outputs		
Information Services	31,479	31,751
Community-based Sentences and Orders	71,165	74,053
Custody of Remand Inmates	78,872	81,979
Escorts and Custodial Supervision	7,713	8,184
Custodial Services	325,274	335,522
Inmate Employment	32,063	41,809
Rehabilitative Programmes and Reintegrative Services	45,746	48,669
Services to the New Zealand Parole Board	6,035	6,114
Policy Advice and Development	5,602	5,973
Service Purchase and Monitoring	1,640	1,720
Sub-total	605,589	635,774
Appropriation for capital contributions	180,083	180,083
Total	785,672	815,857

^{*}These amounts include adjustments made in the Supplementary Estimates and the following transfers under section 5 of the Public Finance Act 1989:

Output Class	Supplementary Estimates \$000	Section 5 Transfers \$000	Final Appropriation \$000
Custodial Services	337,485	(1,963)	335,522
Inmate Employment	39,846	1,963	41,809
Net Adjustment		0	

The Inmate Employment output class was expected to be over appropriation. This was mainly due to difficulties in some markets with volatile commodity prices. As a result of significant vacancies and prisoners tracking below the Ministry of Justice's forecast, the Department was able to transfer funds from the Custodial Services output class to cover this cost pressure.

STATEMENT OF TRUST MONIES

For the Year Ended 30 June 2005

Account	As at 01/07/04	Contribution	Distribution	As at 30/06/05
	\$000	\$000	\$000	\$000
Prison Trust Accounts	469	8,845	(8,894)	420
	469	8,845	(8,894)	420

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2005

NOTE 1: OTHER REVENUE

30/06/04 Actual		30/06/05 Actual	30/06/05 Main Estimates	30/06/05 Supp. Estimates
\$000		\$000	\$000	\$000
15,076	Timber and livestock	16,227	15,578	18,730
1,257	Rents	1,279	1,009	1,009
9,261	Prison industry sales	7,781	6,391	6,582
158	Miscellaneous	157	520	177
25,752	Total other revenue	25,444	23,498	26,498

NOTE 2: PERSONNEL COSTS

30/06/04 Actual		30/06/05 Actual	30/06/05 Main Estimates	30/06/05 Supp. Estimates
\$000		\$000	\$000	\$000
237,252 3,697	Salaries and wages Retirement and long service leave	265,641 (9)	259,917 871	279,687 853
240,949	Total personnel costs	265,632	260,788	280,540

Retirement and long service leave for 2004/05 has decreased due to a change in the discount rates used. This change occurred during the annual revaluation of employee entitlements performed by Aon New Zealand.

NOTE 3: OPERATING COSTS

30/06/04 Actual \$000		30/06/05 Actual \$000	30/06/05 Main Estimates \$000	30/06/05 Supp. Estimates \$000
8,061	Operating lease rentals	8,917	9,455	9,924
	Audit fees to auditors for audit of			
218	the financial statements	229	218	229
188	Fees to auditors for other services provided	161	_	_
28,710	Facilities maintenance	34,248	27,576	28,622
38,271	Offender management costs	47,475	42,215	48,664
13,491	Computer costs	12,131	16,477	12,220
16,299	Contract management	18,537	18,317	18,447
17,684	Administration	21,698	24,601	28,439
24,052	Other operating costs	30,596	24,687	25,657
_	Forestry revaluation	(5,304)	_	_
3,588	Write down of fixed assets	704	_	_
150,562	Total operating costs	169,392	163,546	172,202

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

The Department has reclassified some of its administration costs to facilities maintenance, offender management and other operating costs to more accurately reflect the nature of why these costs were incurred. The 2003/04 comparatives have been re-aligned accordingly.

NOTE 4: DEPRECIATION

30/06/04 Actual		30/06/05 Actual	30/06/05 Main Estimates	30/06/05 Supp. Estimates
\$000		\$000	\$000	\$000
28,589	Buildings	32,007	34,559	34,476
628	Leasehold improvements	938	850	850
2,812	Plant and equipment	2,870	4,300	4,600
747	Furniture and fittings	799	900	900
8,137	Computer equipment	8,718	9,000	9,000
3,598	Motor vehicles	3,499	2,900	2,900
44,511	Total depreciation charge	48,831	52,509	52,726

NOTE 5: CAPITAL CHARGE

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

The capital charge rate for the year ended 30 June 2005 was 8.0 percent per annum (2004: 8.5 percent).

NOTE 6: OTHER EXPENSES

30/06/04 Actual		30/06/05 Actual	30/06/05 Main Estimates	30/06/05 Supp. Estimates
\$000		\$000	\$000	\$000
_ 7,697	Revaluation — buildings Revaluation — forests	(11,559) —	<u>-</u> -	_ _
7,697	Total other expenses	(11,559)	_	_

This represents the portion of the 30 June 2005 revaluation which reverses the revaluation deficit of 30 June 2002.

The effect of the forestry revaluation as at 30 June 2005 is reflected in Note 3: Operating Costs.

NOTE 7: TAXPAYERS' FUNDS

Taxpayers' Funds comprises two components:

_		_	_		
Ge	nor	പ	C::	nd	0

30/06/04 Actual			30/06/05 Actual	30/06/05 Main Estimates	30/06/05 Supp. Estimates
\$000		Notes	\$000	\$000	\$000
610,339	General funds as at 1 July		672,751	676,271	672,751
(6,446)	Net operating surplus/(defic	cit)	17,030	_	_
69,761	Capital contribution		180,083	138,683	180,083
63,315			197,113	138,683	180,083
	Provision for repayment of s	urplus			
(1,251)	to the Crown	13	(5,471)	_	_
	Asset/liability transfers bety	veen the			
348	Department and the Crown		_	_	_
672,751	General funds as at 30 Jun	e	864,393	814,954	852,834
	General funds as at 30 Jun	e	864,393	814,954	852,834
Revaluation Rese	General funds as at 30 Jun	_	•	,	,
Revaluation Resease 30/06/04	General funds as at 30 Jun	30/06/05	30/06/05	30/06/05	30/06/05
Revaluation Research 30/06/04 Total	General funds as at 30 Jun	_	•	,	30/06/05 Total
Revaluation Research 30/06/04 Total Actual	General funds as at 30 Jun	30/06/05 Livestock	30/06/05 Land	30/06/05 Buildings	30/06/05 Total Actual
Revaluation Research 30/06/04 Total	General funds as at 30 Jun	30/06/05	30/06/05	30/06/05	30/06/05 Total
Revaluation Research 30/06/04 Total Actual	General funds as at 30 Jun	30/06/05 Livestock	30/06/05 Land	30/06/05 Buildings	30/06/05 Total Actual
Revaluation Research 30/06/04 Total Actual \$000	General funds as at 30 Jun erve Balance brought forward Revaluation changes at	30/06/05 Livestock \$000	30/06/05 Land \$000	30/06/05 Buildings \$000	30/06/05 Total Actual \$000
Revaluation Research 30/06/04 Total Actual \$000	General funds as at 30 Jun erve Balance brought forward	30/06/05 Livestock \$000	30/06/05 Land	30/06/05 Buildings	30/06/05 Total Actual \$000
Revaluation Research 30/06/04 Total Actual \$000	General funds as at 30 Jun erve Balance brought forward Revaluation changes at	30/06/05 Livestock \$000	30/06/05 Land \$000	30/06/05 Buildings \$000	30/06/05 Total Actual \$000

NOTE 8: DEBTORS AND RECEIVABLES

5.306	GST receivable Total debtors and receivables	707 4.833
(324)	Provision for doubtful debts	(322)
481	Other	1,040
5,149	Trade debtors	3,408
Actual \$000		Actual \$000
30/06/04		30/06/05

NOTE 9: INVESTMENTS

The increase in investments is primarily due to the issue of shares by the Fonterra Co-operative Group Ltd to Corrections Inmate Employment in lieu of dividends. In order to continue business with the Fonterra Co-operative Group Ltd, Corrections Inmate Employment must hold shares given to it by that group.

NOTE 10: PHYSICAL ASSETS

30/06/04 Actual \$000		30/06/05 Actual \$000
	Freehold land	
574	At cost	-
74,375	At valuation	111,840
74,949	Land – net book value	111,840
	Buildings	
82,744	At cost	_
344,576	At valuation	573,081
(55,524)	Accumulated depreciation	
371,796	Buildings – net book value	573,081
	Leasehold improvements	
7,606	At cost	9,162
(3,377)	Accumulated depreciation	(3,970)
4,229	Leasehold improvements – net book value	5,192
	Forests	
29,401	At valuation	34,705
29,401	Forests – net book value	34,705
	Plant and equipment	
29,812	At cost	31,771
(18,421)	Accumulated depreciation	(19,569)
11,391	Plant and equipment – net book value	12,202
	Furniture and Fittings	
6,573	At cost	7,749
(4,342)	Accumulated depreciation	(4,940)
2,231	Furniture and fittings – net book value	2,809
	Computer equipment (incl software)	
65,726	At cost	71,090
(40,035)	Accumulated depreciation	(43,737)
25,691	Computer equipment – net book value	27,353
	Motor vehicles	
31,140	At cost	33,571
(16,999)	Accumulated depreciation	(18,028)
14,141	Motor vehicles – net book value	15,543
440.474	Items under construction	405.004
113,474	Buildings	195,291
4,879	Computer equipment	8,360
118,353	Items under construction – net book value	203,651
700.000	Total physical assets	4.070.000
790,880	At cost and valuation Accumulated depreciation	1,076,620
(138,698)	<u> </u>	(90,244)
652,182	Total carrying amount of physical assets	986,376

Freehold land and buildings were valued at fair value as at 30 June 2005 by an independent registered valuer, *valuersnet.NZ*. This valuation was completed by M W Lauchlan ANZIV SNZPI.

The annual valuation of forests was undertaken by an independent registered valuer, P F Olsen and Company Limited, on 30 June 2005. This valuation was completed by T Vos, registered forestry consultant, New Zealand Institute of Forestry.

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.

NOTE 11: CREDITORS AND PAYABLES

30/06/04 Actual \$000		30/06/05 Actual \$000
12,232	Trade creditors	33,138
21,202	Accrued expenses	59,962
3,058	GST payable	-
36,492	Total creditors and payables	93,100

NOTE 12: PROVISIONS

30/06/04 Total		30/06/05 Total
Actual \$000		Actual \$000
1,201	Opening balance	1,332
131	Additional provisions made during the year	652
_	Charged against provision for the year	_
_	Unused amounts reversed during the year	_
_	Discounting changes	-
1,332	Closing balance	1,984

Provisions include an employee provision for the estimated cost of future work-related accident claims, ACC residual levies for ongoing entitlement costs for claims prior to 30 June 1999 and a restructuring provision.

NOTE 13: PROVISION FOR REPAYMENT OF SURPLUS TO THE CROWN

30/06/04 Actual \$000		30/06/05 Actual \$000
(6,446) 7,697	Net surplus/(deficit) Add: Other expenses (not for production of outputs)	5,471 —
1,251	Net surplus from delivery of outputs	5,471
1,251	Total provision for repayment of surplus to the Crown	5,471

NOTE 14: PROVISION FOR EMPLOYEE ENTITLEMENTS

30/06/04 Actual \$000		30/06/05 Actual \$000
	Current liabilities	
9,831	Retirement and long service leave	10,738
21,195	Annual leave	22,778
31,026	Total current portion	33,516
	Non-current liabilities	
10,858	Retirement and long service leave	9,809
10,858	Total non-current portion	9,809
41,884	Total provision for employee entitlements	43,325

Aon New Zealand revalued the non-current retiring leave portion of employee entitlements as at 31 August 2004. The Department applied the new rates from this revaluation to the non-current long service leave portion of employee entitlements.

The major assumptions used in this review are that salary growth rates are 3.0 percent per annum, and discount rates ranged from 6.18 percent to 6.21 percent per annum.

NOTE 15: RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2005

30/06/04		30/06/05	30/06/05	30/06/05
Actual		Actual	Main	Supp.
		Estimates		Estimates
\$000		\$000	\$000	\$000
(6,446)	Net surplus/(deficit)	17,030	_	_
	Add/(less) non-cash items			
44,511	Depreciation	48,831	52,509	52,726
2,022	Inc/(dec) in non-current employee entitlements	(1,049)	_	(960)
11,086	Inc/(dec) other non-cash items	(17,015)	_	_
57,619	Total non-cash items	30,767	52,509	51,766
	Working capital movements			
(1,000)	(Inc)/dec in receivables	473	_	(1,100)
(426)	(Inc)/dec in inventories	12	_	(162)
254	(Inc)/dec in prepayments	(309)	_	(7)
(3,509)	Inc/(dec) in creditors and payables	22,933	_	(292)
4,806	Inc/(dec) in current employee entitlements	2,490	_	1,915
125	Working capital movements – net	25,599	_	354
_	Add/(less) investing activity items	_	_	_
(36)	Net loss/(gain) on sale of physical assets	42	_	_
(36)	Total investing activity items	42	_	_
51,262	Net cash flow from operating activities	73,438	52,509	52,120

NOTE 16: 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 1989, 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 17: CONTINGENCIES

The Department does not have any contingent assets as at 30 June 2005 (30 June 2004: nil).

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

NOTE 18: 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.

NOTE 19: 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 less than projected in the Supplementary Estimates process due to actual prisoner numbers being less than forecast. In addition, the Department also had recruitment difficulties in 2004/05 that impacted on the amount of training provided and associated staff costs.

General funds, physical assets and net cash flows from financing activities is more than projected in the Main Estimates process due to additional capital being appropriated to construct 493 beds on existing sites.

Physical assets and revaluation reserves are more than projected in the Main Estimates process due to an increase in the value of land, buildings and forests.

The increase in cash is offset by the increase in Creditors and Payables. This is primarily due to timing issues arising from when payments were made at the end of the financial year.

The Inmate Employment output class is \$9.7 million under appropriation of which \$5.3 million is due to forestry revaluation as at 30 June 2005 and the remainder is due to higher cost offsets as a result of higher than expected internal sales.

NOTE 20: POST-BALANCE DATE EVENTS

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

SERVICE PERFORMANCE

Output Performance for the Year Ended 30 June 2005

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.

OUTPUT CLASS STATEMENT: INFORMATION SERVICESFor the Year Ended 30 June 2005

30/06/04 Actual \$000		30/06/05 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
26,483	Crown	28,223	27,284	28,223
0	Other	0	0	0
26,483	Total Revenue	28,223	27,284	28,223
25,966	Total Expenses	27,951	27,284	28,223
517	Net Surplus	272	0	0

 $^{^{6}}$ Ministerial approval was received for this addition in conjunction with the establishment of the new output 1.6.



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.

	2003/04	Perfo	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance	
Quantity					
The number of reports to courts:	28,135	29,115	29,000	115	
The number of hours for attendance at courts:	59,467	63,809	56,500	7,309	
Quality					
The percentage of reports provided to the following					
standards contained in the relevant service descriptions	5				
and Probation and Offender Services Manual to be no					
less than:	94%	92%	95%	-3%	
 written reports in a specified format 					
 verification process specified/rationale for no 					
verification					
 concise, logical and grammatically correct 					
clear statement of recommendation consistent with					
the law.					
The number of written complaints from judges to be no					
more than:	4	6	15	-9	
Timeliness					
The percentage of reports to courts provided to a					
timetable set through service level agreements to					
be no less than:	94%	95%	98%	-3%	

Comments

The number of reports to courts was at the expected level, although the composition of the reports completed was different than that anticipated.

Activity in this output is driven by demand from the courts, and throughout the year a much higher than expected level of activity involving Community Probation Service staff time in court was evident, which was partially attributable to the impact of the appointment of additional judges. This increase in activity is reflected in the delivery of an additional 13 percent of hours for attendance at courts.

The number of written complaints received from judges was better than the standard, reflecting the greater focus by managers on formalising contact with the judiciary, with all complaints significantly resolved.

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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.

	2003/04		nance Standard 2004/05	
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of New Zealand Parole Board pre-release				
reports prepared for prisoners:	4,096	4,217	4,400	-183
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 Service Manual and Public Prisons				
Service Sentence Management Manual to be no				
less than:	100%	100%	100%	Nil
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 an initial findings are to be derived.				
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	4000/	0.40/	4000/	601
set by the Board to be:	100%	94%	100%	-6%

Comment

Activity in this output is driven by demand from the New Zealand Parole Board, within the context of the Sentencing Act 2002 and the Parole Act 2002. The number of pre-release reports prepared was marginally below planned levels.

Although all reports met the quality standard, the timeliness standard was below planned levels, reflecting some definition and recording process issues in one Public Prisons Service region. These processes are being reviewed to ensure consistency across all the Public Prisons Service regions.



OUTPUT 1.3 Home Leave Reports

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

	2003/04	Perfo	ormance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance	
Quantity					
The number of home leave reports:	864	672	900	-228	
Quality					
The percentage of home leave reports provided to the					
following standards contained in the relevant service					
descriptions and Probation and Offender Services					
Manual to be no less than:	99%	95%	98%	-3%	
reports completed and all questions addressed					
concise, logical and grammatically correct.					
Timeliness					
The percentage of home leave reports provided					
within two weeks of request to be no less than:	98%	99%	98%	1%	

Comment

Activity in this output is driven by demand from the Public Prisons Service, within the context of the Sentencing Act 2002 and the Parole Act 2002. On a national level, the impact on resources as a result of the reduction in the number of reports delivered was small.



OUTPUT 1.4 Home Detention Assessments to the New Zealand Parole Board

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

	2003/04	Perfo	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance	
Quantity					
The number of home detention specialist reports:	4,124	3,438	4,200	-762	
Quality					
The percentage of home detention specialist reports					
provided to the following standards contained in the					
relevant service descriptions and Probation and Offen	der				
Services Manual to be no less than:	99%	95%	98%	-3%	
 written reports in a specified format 					
 verification process specified/rationale for no verification 	cation				
 concise, logical and grammatically correct 					
statement of recommendations consistent with the	law.				
Timeliness					
The percentage of home detention specialist reports					
provided within two weeks of the request to be no					
less than:	92%	88%	98%	-10%	

Comment

The number of home detention specialist reports completed, although below planned levels, has remained relatively consistent over the financial year. Report numbers have decreased across all Community Probation Service areas, reflecting the introduction of the Sentencing Amendment Act 2004, which tightened the criteria under which offenders could be granted leave to apply for home detention. The number of new starts on home detention was also significantly below planned levels (28 percent).

Although 10 percent of reports were not provided within two weeks of the request, many of these reports were provided in time for the application to be heard. The measure has now been amended for the 2005/06 financial year, to ensure a better alignment with the actual requirements of the New Zealand Parole Board.

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.

2003/04		Perfo	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance	
Quantity					
The number of New Zealand Parole Board reports:	770	987	600	387	
The number of reports to courts:	139	154	1007	54	
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%	98%	2%	
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%	98%	2%	
 written reports in a specified format 					
 concise, logical and grammatically correct 					
source and reason for referral are clearly stated					
all relevant and appropriate information included					
 sources of information well documented and verified 					
 clear statement of recommendations for further investigation 					
 complies with the Code of Ethics of the NZ 					
Psychological Society 1986.					
Timeliness					
The percentage of New Zealand Parole Board reports					
provided within deadlines set by the Board to be:	99%	100%	100%	Nil	
The percentage of reports to courts provided to a					
timetable set through service level agreements to be:	100%	100%	100%	Nil	

Comment

The high volume of reports to the New Zealand Parole Board continued throughout the year, with the year-end result being 65 percent in excess of the adjusted planned levels. Activity in this output is driven by demand from the New Zealand Parole Board, within the context of its business rules and the provisions of Section 107 of the Parole Act 2002. It is anticipated that these high volumes will continue in the 2005/06 financial year and additional resources have been made available to enable this level of production to be maintained.

The number of psychological reports to courts is demand driven, with the over delivery reflecting the backlog of extended supervision assessments for offenders released from prison since November 2003. Although the actual quantum of over production is significant at 54 percent, it has had a relatively low fiscal impact.

 $^{^{7}\,}$ Ministerial approval was received to revise this performance standard from 156.



OUTPUT 1.6 Information Services for Extended Supervision Orders⁸

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 application to the New Zealand Parole Board to set conditions for the orders.

2003/04		Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of health assessments completed				
on offenders for whom an extended supervision				
order is considered:	New measure	93	110	-17
The number of extended supervision applications to courts:	New measure	64	88	-24
The number of applications to the New Zealand	New Illeasure	04	00	-24
Parole Board for special conditions (for offenders				
who are subject to an extended supervision order):	New measure	21	56	-35
Quality				
The percentage of health assessments provided to				
the following standards:	New measure	100%	100%	Nil
written assessments in a specified format				
verification process specifiedrequired information provided where available				
clear statement of recommendation consistent				
with the law.				
The percentage of applications to courts provided				
to the following standards:	New measure	100%	100%	Nil
written assessments in a specified format				
verification process specifiedrequired information provided where available				
clear statement of recommendation consistent				
with the law.				
The percentage of reports to the New Zealand				
Parole Board provided to the following				
standards:	New measure	100%	100%	Nil
written assessments in a specified formatverification process specified				
required information provided where available				
clear statement of recommendation consistent				
with the law.				
Timeliness				
The percentage of health assessments provided				
within deadlines to be:	New measure	100%	100%	Nil
The percentage of applications to courts provided within deadlines to be:	New measure	100%	100%	Nil
The percentage of applications to the	New Illeasure	10070	10070	INII
New Zealand Parole Board provided within				
deadlines to be:	New measure	62%	100%	-38%

Comment

This is a new output, following the implementation of the Parole (Extended Supervision) Amendment Act 2004, which provides for the intensive monitoring of child-sex offenders for up to 10 years following release from prison. There was, therefore, no previous actual information available to inform the establishment of the quantity standards, which were based on initial estimates of volumes.

The lower than planned volume of health assessments was, in part, due to the inability to locate some transitional offenders (those already in the community), on whom there was insufficient recorded information to enable an assessment to be made without an interview being held. This will not be an issue in the future, as offenders will be in prison when assessed. Applications for extended supervision orders were made for a lower than planned proportion of those assessed. It is not yet clear whether this will be an ongoing pattern, or whether it is a result of the transitional offenders assessed in the first year. This will be monitored.

The low number of applications to the New Zealand Parole Board is largely the result of the slower than anticipated process of court hearings in respect of these orders. Of the 64 applications made to the courts, only 30 decisions had been made by 30 June 2005. The high number of reports not provided to the New Zealand Parole Board within deadlines was the result of 'teething issues' with the procedures used to prepare the reports. These have now been addressed and a high level of compliance is expected in 2005/06.

OUTPUT CLASS 2 COMMUNITY-BASED SENTENCES AND ORDERS

This output class provides for the management and delivery of community-based sentences and orders through sentence management and sentence compliance services. Included as part of these are the sentences of supervision and community work and orders such as home detention, parole, 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 provided for 40,549 new sentences and orders in the 2004/05 financial year.

OUTPUT CLASS STATEMENT: COMMUNITY-BASED SENTENCES AND ORDERS For the Year Ended $30\ \mathrm{June}\ 2005$

30/06/04 Actual \$000		30/06/05 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
58,512	Crown	63,825	61,750	65,825
0	Other	0	0	0
58,512	Total Revenue	63,825	61,750	65,825
58,305	Total Expenses	63,187	61,750	65,825
207	Net Surplus	638	0	0



OUTPUT 2.1 Supervision

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

	2003/04	Perfo	rmance Standard 20	004/05
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of supervision sentences:	4,928	5,301	5,100	201
Quality				
The percentage of offenders who comply with the				
special conditions imposed as part of their sentence				
to be no less than:	73%	81%	68%	13%

Comment

This measure is influenced by rates of arrests and decisions of the judiciary. The number of supervision sentences was marginally in excess of planned levels for the financial year.

The percentage of offenders who complied with the special conditions imposed as part of their supervision sentence continued in excess of the standard over the financial year. Compliance is influenced by a wide range of variables that are not quantified easily and it is difficult to attribute the impact of any one particular factor to the overall positive result.

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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.

	2003/04	Perfor	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance	
Quantity					
The number of community work sentences:	28,043	27,928	29,000	-1,072	
Quality					
The percentage of offenders who successfully					
complete a community work sentence be no less than:	76%	75%	70%	5%	

Comment

This measure is influenced by rates of arrests and decisions of the judiciary and is outside the Department's control. Notwithstanding, the number of community work sentences was marginally below planned levels for the financial year.

The percentage of offenders who successfully completed a community work sentence was in excess of the standard for the financial year. Completion rates are influenced by a wide range of variables, which are not easily quantified, and thus it is difficult to attribute the impact of any one particular factor to the overall positive result.

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 rehabilitation or reintegration programme or counselling that addresses their offending.

	2003/04	Perfo	mance Standard 20	004/05
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of offenders directed to complete a				
home detention order:	1,950	1,515	2,100	-585
Quality				
The percentage of offenders on home detention with				
a sentence plan to address their rehabilitative or				
employment needs, to be no less than:	84%	83%	98%	-15%

Comment

Volumes are determined by the decisions of the courts and the New Zealand Parole Board and are not directly controlled by the Department. There was a general decline in the monthly number of home detention new starts throughout the year. The volume of home detention reports was also lower than planned. Both results are considered to be due to the changes introduced in the Parole (Extended Supervision) Amendment Act 2004.

The percentage of offenders with sentence plans to address rehabilitative or employment needs remained consistent throughout the latter part of the year. There was still, however, a consistent percentage of offenders on short sentences (less than one month), which does not easily allow for employment or rehabilitative needs to be addressed. The measure has been replaced by two more pertinent measures, relating to absconding and compliance with special conditions, in the 2005/06 Statement of Intent.



OUTPUT 2.4 Parole Orders

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

	2003/04	Perfo	erformance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance	
Quantity					
The number of prisoners directed to complete a					
parole order:	1,308	1,132	1,200	-68	
Quality					
The percentage of offenders who comply with the					
special conditions imposed as part of their order to					
be no less than:	72%	75%	65%	10%	

Comment

Volumes are determined by the decisions made by the New Zealand Parole Board, and are not directly controlled by the Department.

The percentage of offenders who comply with the special conditions imposed as part of their order continued in excess of the standard over the financial year. Compliance is influenced by a wide range of variables, which are not easily quantified, and thus it is difficult to attribute the impact of any one particular factor to the overall positive result.



OUTPUT 2.5 Orders for Post-Release Conditions

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

	2003/04	3/04 Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of prisoners released on post-release				
conditions imposed by the court:	3,457	4,652	3,900	752
Quality				
The percentage of offenders who comply with the				
conditions imposed as part of their order to be				
no less than:	70%	72%	65%	7%

Comment

Total average prison receptions have increased per month since the introduction of the Sentencing Act 2002. A significant proportion of these additional receptions are prisoners sentenced to short sentences (those serving less than two years). This trend in sentencing has had a direct impact on the number of prisoners eligible for and subsequently released into the community on post-release conditions, with the full year result being 19 percent in excess of planned levels.

The positive higher rate of compliance with conditions has been evident throughout the year. Compliance is influenced by a wide range of variables, including the different conditions imposed by the judiciary, which are not easily quantified, and thus it is difficult to attribute the impact of any one particular factor to the overall positive result.

Extended Supervision Orders OUTPUT 2.6

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 10years following a finite term of imprisonment and is administered by a Probation Officer.

	2003/04	4 Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of offenders commencing an				
extended supervision order:	New measure	21	56°	-35
The number of offenders subject to an extended				
supervision order at 30 June:	New measure	19	56 ¹⁰	-37
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:	New measure	100%	100%	Nil

Comment

The number of offenders commencing an extended supervision order has been below expectations due to fewer applications than anticipated, defended hearings, and hearings delayed due to counsel requesting independent psychological assessments.

As at 30 June 2005, the courts had ordered 30 offenders to commence extended supervision orders - 24 for the maximum 10-year term, one for a term of eight years and six months, one for a seven-year term, two for a five-year term and two for two-year terms. Of these offenders, 21 commenced an extended supervision order, although the number of offenders subject to an order as at 30 June 2005 (19) does not include two offenders whose orders have been suspended due to imprisonment.

 $^{^9}$ Ministerial approval was received to revise this performance standard from 86. Ministerial approval was received to revise this performance standard from 86.

OUTPUT CLASS 3 CUSTODY OF REMAND INMATES

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

It provided for a throughput of 11,597 new remand prisoners in the 2004/05 financial year, representing an average prison population of 1,247 remand prisoners. This demand is met by accommodating prisoners across remand facilities, with any overflow accommodated in segregated custodial facilities.

OUTPUT CLASS STATEMENT: CUSTODY OF REMAND PRISONERSFor the Year Ended 30 June 2005

30/06/04 Actual \$000		30/06/05 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
47,674	Crown	70,371	50,844	72,871
0	Other	0	0	0
47,674	Total Revenue	70,371	50,844	72,871
47,659	Total Expenses	70,076	50,844	72,871
15	Net Surplus	295	0	0

OUTPUT 3.1 Custody of Remand Inmates

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

:	2003/04	Perfo	Performance Standard 2004/05			
Performance Measure	Actual	Actual	Budget	Variance		
Quantity						
The average number of remand prisoners held by the:						
Auckland Central Remand Prison:	263	343	339 ¹¹	4		
Public Prisons Service:	886	830	913	-83		
Police/court cells:	0	74	0	74		
Total average number of remand prisoners held:	1,149	1,247	1,252	-5		
Quality						
The number of breakouts per annum to be no more than:	: 0	0	2	-2		
The number of all other escapes per annum to be:	0	0	0	Nil		
The number of breakouts per annum from Auckland						
Central Remand Prison to be:	0	0	0	Nil		

Comment

This measure is influenced by rates of arrests and decisions of the judiciary and is outside the Department's control.

Notwithstanding, the total average number of remand prisoners was in line with planned levels, with the latter reflecting the Ministry of Justice prison population forecast. The lower number of remand prisoners accommodated by the Public Prisons Service primarily reflects the utilisation of additional remand capacity made available at the Auckland Central Remand Prison, and the fact that some beds intended for remand prisoners were occupied by sentenced prisoners.

The year-end result includes those remand prisoners who were held in police cells, the full year average of which was 74 prisoners. In general, the Department utilises court cells to accommodate sentenced prisoners, where necessary, and police cells to accommodate remand prisoners, although some remand prisoners were accommodated in court cells during the year.

 $^{{\}bf 11} \\ {\bf Ministerial} \ {\bf approval} \ {\bf was} \ {\bf received} \ {\bf to} \ {\bf revise} \ {\bf this} \ {\bf performance} \ {\bf standard} \ {\bf from} \ {\bf 257}.$

OUTPUT CLASS 4 ESCORTS AND CUSTODIAL SUPERVISION

This output class provides for safe, secure and humane services and facilities for 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.

OUPUT CLASS STATEMENT: ESCORTS AND CUSTODIAL SUPERVISION For the Year Ended 30 June 2005

30/06/04 Actual \$000		30/06/05 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
6,238	Crown	7,275	6,326	7,275
0	Other	0	0	0
6,238	Total Revenue	7,275	6,326	7,275
5,964	Total Expenses	6,804	6,326	7,275
274	Net Surplus	471	0	0

OUTPUT 4.1 Escort Services

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

	Perfo	Performance Standard 2004/05			
Performance Measure	Actual	Actual	Budget	Variance	
Quantity The number of prince are accepted to and from court in.					
The number of prisoners escorted to and from court in: Northland/Auckland (including police escorts): remainder of New Zealand (excluding police	31,120	32,633	27,750	4,883	
escorts): ¹³	9,177	8,918	8,240	678	
Quality					
The number of escapes by prisoners during escort to and from court to be no more than:	2	0	1	-1	

Comment

The higher than planned number of prisoner escorts reflects the impact of the higher than anticipated prison population (above the planned levels, which were based on the Ministry of Justice prison population forecast), and the high throughput of prisoners, particularly those on remand and short sentences. In these circumstances, there were a significantly greater number of prisoners requiring escort to courts than originally planned.

¹² Provided by Chubb New Zealand Limited.13 Provided by the Public Prisons Service.

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.

	2003/04	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of prisoners supervised in courts in:				
Northland/Auckland:14	7,164	8,792	7,800	992
• remainder of New Zealand: ¹⁵	10,151	10,515	8,950	1,565
Quality				
The number of escapes by remand prisoners and				
sentenced prisoners while they are held in custody				
at court to be:	0	0	0	Nil

Comment

The higher than planned number of prisoners supervised in courts reflects the impact of the higher than anticipated prison population, exacerbated by the throughput of prisoners, and particularly those on remand and short sentences. In these circumstances, there was a significantly greater number of prisoners requiring escort to, and consequently supervision in, courts than originally planned.

¹⁴ 15 Provided by Chubb New Zealand Limited. Provided by the Public Prisons Service

OUTPUT CLASS 5 CUSTODIAL SERVICES

This output class covers the provision of custodial services and the administration of custodial sentences in safe, secure and humane conditions for both male and female prisoners classified as maximum, medium and minimum security. Youth under 17 years of age and vulnerable 17-to 19-year-olds will be housed in specialist Young Offenders Units. Also included are the management of other specialist facilities and the Department's drug reduction strategy.

It provided for a throughput of 9,196 new prisoners in the 2004/05 financial year, representing an average prison population of 5,559 prisoners. This requires the provision of beds and associated facilities to meet security, gender, age and other prisoner needs 24 hours a day.

OUTPUT CLASS STATEMENT: CUSTODIAL SERVICES

For the Year Ended 30 June 2005

30/06/04 Actual \$000		30/06/05 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
254,810	Crown	286,477	290,316	297,222*
418	Departmental	2,510	1,412	2,765
0	Other	0	0	0
255,228	Total Revenue	288,987	291,728	299,987 [*]
255,879	Total Expenses	289,151	291,728	299,987 [*]
(651)	Net Deficit	(164)	0	0

^{*}These figures also include the following adjustment under section 5 of the Public Finance Act 1989:

Supplementary Estimates \$000	Section 5 Transfers \$000	Final Appropriation \$000
298,967	(1,745)	297,222

The Inmate Employment output class was expected to be over appropriation mainly due to difficulties in some markets with volatile commodity prices. As a result of significant vacancies and prisoners tracking below the Ministry of Justice's forecast, the Department was able to transfer the funds from the Custodial Services output class to cover this cost pressure.



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.

	2003/04	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The average number of maximum security sentenced				
prisoners:	99	62	103	-41
Quality				
The percentage of sentenced prisoners with sentence				
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:	72%	77%	100%	-23%
 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				
programme • all information is recorded and filed on the				
prisoner's file				
·				
sentence management plans are reviewed as per the plan.				
The number of breakouts per annum:	0	0	0	Nil
The number of non-returns from temporary release	O O	V	0	1411
per annum:	0	0	0	Nil
The number of all other escapes per annum:	0	0	0	Nil

Comment

The average number of maximum security sentenced prisoners is initially influenced by rates of arrests and decisions of the judiciary and is outside the Department's control. Thereafter, the security classification of individual prisoners becomes a function of the offence type and the security risk posed by the prisoner population. The downward trend in the maximum security prisoner population established over the 2003/04 financial year continued in the 2004/05 financial year, and reflects the application of processes designed to assign security classifications to prisoners at the lowest level practicable, having regard to the availability of accommodation and other resources. The Department will be reviewing the security classification system in 2005/06.

The percentage of sentenced prisoners with sentence plans is below the standard, reflecting a backlog of plans within the Public Prisons Service, which was being addressed throughout the year. The backlog was primarily attributable to:

- the impact of the timing differential between the decision to reduce the number of sentence planners in the Northern Region and the recruitment of additional sentence planners for the other regions in the upper North Island
- the increased throughput of remand and short-serving prisoners, and the associated higher level of prisoner movements as a result of these muster pressures, particularly in the upper North Island.

During the year, a contingency plan was developed to address the backlog and increased emphasis was placed on attending to the backlog of sentence plans for other sentence management categories of prisoners, which was considered the best use of resources in the short term. A prisoner's maximum security classification generally occurs at the commencement of the sentence and prisoner management plans are developed as the prisoner moves out of this classification.

Notwithstanding the foregoing, achievement of a 100 percent standard under this quality measure is not realistic, because the overall prisoner population upon which the standard is based inevitably includes a proportion of prisoners who are not eligible for, or do not meet, the Department's criteria for sentence planning.

Accordingly, this measure has been amended in the 2005/06 financial year to record the percentage of sentence plans for those prisoners "who are eligible and have met the Department's criteria for sentence planning".



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.

:	2003/04		Performance Standard 2004/05			
Performance Measure	Actual	Actual	Budget	Variance		
Quantity						
The average number of medium security sentenced						
prisoners:						
Auckland Central Remand Prison:	25	26	0	26		
Public Prisons Service:	2,543	2,584	2,775 ¹⁶	-191		
Police/court cells: The large for a discussion of the discus	0	33	0	33		
Total average number of medium security sentenced	2,568	2,643	2,775	-132		
prisoners:	2,306	2,043	2,775	-132		
Quality						
The percentage of sentenced prisoners with sentence						
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	700/	000/	4000/	-10%		
Manual to be: • on induction, each prisoner is provided verbally and	78%	90%	100%	-10%		
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 breakouts per annum to be no more						
than:	9	7	3	4		
The number of non-returns from temporary release			-			
per annum to be no more than:	0	0	2	-2		
The number of all other escapes per annum to be no						
more than:	5	2	8	6		

Comment

The average number of medium security prisoners is initially influenced by rates of arrests and decisions of the judiciary and is outside the Department's control. Thereafter, the security classification of individual prisoners becomes a function of the offence type and the security risk posed by the prisoner population. The total average number of medium security prisoners was below planned levels, with the latter reflecting the Ministry of Justice prison population forecast.

The year-end result includes those sentenced prisoners who were held in court cells, the full year average of which was 33 prisoners. In general, the Department utilises court cells to accommodate sentenced prisoners, where necessary, and police cells to accommodate remand prisoners, although some sentenced prisoners were accommodated in police cells during the year.

 $^{{\}bf 16}$ Ministerial approval was received to revise this performance standard from 2,697.

The percentage of sentenced prisoners with sentence plans is below the standard, reflecting a backlog of plans within the Public Prisons Service, which was being addressed throughout the year. The backlog was primarily attributable to:

- the impact of the timing differential between the decision to reduce the number of sentence planners in the Northern Region and the recruitment of additional sentence planners for the other regions in the upper North Island
- the increased throughput of remand and short-serving prisoners, and the associated higher level of prisoner movements as a result of these muster pressures, particularly in the upper North Island.

During the year, a contingency plan was developed to address the backlog and emphasis was placed on attending to the backlog of sentence plans for medium and minimum security male prisoners, which was considered the best use of resources in the short term.

Notwithstanding the foregoing, achievement of a 100 percent standard under this quality measure is not realistic, because the overall prisoner population upon which the standard is based inevitably includes a proportion of prisoners who are not eligible for, or do not meet, the Department's criteria for sentence planning. The latter comprises:

- prisoners whose final release date is within three months
- · prisoners on witness protection
- · recall prisoners
- prisoners who have appeared before the New Zealand Parole Board more than twice.

Accordingly, this measure has been amended in the 2005/06 financial year to record the percentage of sentence plans for those prisoners "who are eligible and have met the Department's criteria for sentence planning".

All escapes that occurred during the year have been, or are in the process of being, investigated. Where necessary, procedures are amended or new procedures implemented. Confirmation of appropriate implementation of recommendations arising from individual investigations is provided to the Department's Assurance Board.



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.

2003/04		4 Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
Quantity The average number of minimum security sentenced				
prisoners:				
 Auckland Central Remand Prison: 	6	6	0	6
Public Prisons Service:	2,037	2,411	2,156 ¹⁷	255
Total average number of minimum security sentenced				
prisoners:	2,043	2,417	2,156	261
Quality				
The percentage of sentenced prisoners with sentence				
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:	76%	90%	100%	-10%
 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. 	e			
The number of breakouts per annum to be no more than:	0	2	1	1
The number of non-returns from temporary release per annum to be no more than:	2	0	12	-12
The number of all other escapes per annum to be no more than:	2	6	8	-2

Comment

The average number of minimum security prisoners is initially influenced by rates of arrests and decisions of the judiciary and is outside the Department's control. Thereafter, the security classification of individual prisoners becomes a function of the offence type and the security risk posed by the prisoner population. The total average number of minimum security prisoners was above planned levels (with the latter reflecting the Ministry of Justice prison population forecast) and was influenced by, inter alia, an increase in the throughput of prisoners on short sentences.

The percentage of sentenced prisoners with sentence plans is below the standard, reflecting a backlog of plans within the Public Prisons Service, which was being addressed throughout the year. The backlog was primarily attributable to:

• the impact of the timing differential between the decision to reduce the number of sentence planners in the Northern Region and the recruitment of additional sentence planners for the other regions in the upper North Island

 $^{{\}bf 17}$ Ministerial approval was received to revise this performance standard from 2,200.

• the increased throughput of remand and short-serving prisoners, and the associated higher level of prisoner movements as a result of these muster pressures, particularly in the upper North Island.

During the year, a contingency plan was developed to address the backlog and emphasis was placed on attending to the backlog of sentence plans for medium and minimum security male prisoners, which was considered the best use of resources in the short term.

Notwithstanding the foregoing, achievement of a 100 percent standard under this quality measure is not realistic, because the overall prisoner population upon which the standard is based inevitably includes a proportion of prisoners who are not eligible for, or do not meet, the Department's criteria for sentence planning. The latter comprises:

- prisoners whose final release date is within three months
- applicants for front-end home detention
- prisoners on witness protection
- · recall prisoners
- prisoners who have appeared before the New Zealand Parole Board more than twice.

Accordingly, this measure has been amended in the 2005/06 financial year to record the percentage of sentence plans for those prisoners "who are eligible and have met the Department's criteria for sentence planning".

All escapes that occurred during the year have been, or are in the process of being, investigated. Where necessary, procedures are amended or new procedures implemented. Confirmation of appropriate implementation of recommendations arising from individual investigations is provided to the Department's Assurance Board.

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.

2	003/04	04 Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The average number of maximum security sentenced				
prisoners:	0	0	0	0
The average number of medium security sentenced	00	07	77	00
prisoners: The average number of minimum security sentenced	86	97	77	20
prisoners:	185	222	213 ¹⁸	9
<u> </u>				
Quality				
The percentage of sentenced prisoners with sentence				
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:	63%	73%	100%	-27%
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 breakouts per annum to be no more than:	0	2	1	1
The number of non-returns from temporary release per	J	2	1	1
annum to be no more than:	0	0	1	-1
The number of all other escapes per annum to be no				
more than:	0	0	1	-1

Comment

The average number of sentenced female prisoners is initially influenced by rates of arrests and decisions of the judiciary and is outside the Department's control. Thereafter, the security classification of individual prisoners becomes a function of the offence type and the security risk posed by the prisoner population. The total average number of female prisoners was above planned levels, with the latter reflecting the Ministry of Justice prison population forecast.

The year-end result includes those sentenced prisoners who were held in court cells. In general, the Department utilises court cells to accommodate sentenced prisoners, where necessary, and police cells to accommodate remand prisoners.

The percentage of sentenced prisoners with sentence plans is below the standard, reflecting a backlog of plans within the Public Prisons Service, which was being addressed throughout the year.

 $^{{\}bf 18}$ Ministerial approval was received to revise this performance standard from 193.

The backlog was primarily attributable to:

- the impact of the timing differential between the decision to reduce the number of sentence planners in the Northern Region and the recruitment of additional sentence planners for the other regions in the upper North Island
- the increased throughput of remand and short-serving prisoners, and the associated higher level of prisoner movements as a result of these muster pressures, particularly in the upper North Island.

During the year, a contingency plan was developed to address the backlog and emphasis was placed on attending to the backlog of sentence plans for medium and minimum security male prisoners, which was considered the best use of resources in the short term.

Notwithstanding the foregoing, achievement of a 100 percent standard under this quality measure is not realistic, because the overall prisoner population upon which the standard is based inevitably includes a proportion of prisoners who are not eligible for, or do not meet, the Department's criteria for sentence planning. The latter comprises:

- prisoners whose final release date is within three months
- applicants for front-end home detention
- · prisoners on witness protection
- · recall prisoners
- prisoners who have appeared before the New Zealand Parole Board more than twice.

Accordingly, this measure has been amended in the 2005/06 financial year to record the percentage of sentence plans for those prisoners "who are eligible and have met the Department's criteria for sentence planning".

All escapes that occurred during the year have been, or are in the process of being, investigated. Where necessary, procedures are amended or new procedures implemented. Confirmation of appropriate implementation of recommendations arising from individual investigations is provided to the Department's Assurance Board.



OUTPUT 5.5 Male Youth

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

Performance Measure Actual Actual Budget Variance Quantity The average number of male sentenced youth prisoners held in Young Offenders Units: 134 118 112 ¹⁰ 6 Quality The percentage of youth prisoners with sentence 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: 64% 79% 100% -21% • 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 attends the allocated 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 breakouts per annum from Young Offenders Units to be: 0 0 0 0 Nill The number of all other escapes per annum from Young Offenders Units to be: 0 0 0 0 Nill The number of all other escapes per annum from Young Offenders Units to be: 0 0 0 0 Nill The number of all other escapes per annum from Young Offenders Units to be: 0 0 0 0 Nill The number of all other escapes per annum from Young Offenders Units to be: 0 0 0 0 Nill The number of all other escapes per annum from Young Offenders Units to be: 0 0 0 0 Nill The number of all other escapes per annum from Young Offenders Units to be: 0 0 0 0 Nill The Nill Years of the prisoner and the prisoner and the prisoner and the prisoner annum from Young Offenders Units to be: 0 0 0 0 Nill The Nill Years of the Prisoner and Prisoner Prisoner Prisoner Prisoner Prisoner Prisoner Prisoner P		2003/04 Performance Standard 2004/0		04/05	
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		0	0	0	Nil
Young Offenders Units to be: 0 0 Nil					
	Young Offenders Units to be:	0	0	0	Nil

Comment

The average number of male sentenced young offenders is initially influenced by rates of arrests and decisions of the judiciary and is outside the Department's control. Thereafter, the security classification of individual prisoners becomes a function of the offence type and the security risk posed by the prisoner population. In addition, male sentenced prisoners in the Department's Young Offenders Units are accommodated and retained in these units in accordance with the criteria set out in the Department's Service Description for the Young Offenders Units. The total average number of male sentenced prisoners in the Young Offenders Units was marginally above planned levels, with the latter reflecting the Ministry of Justice prison population forecast.

The percentage of sentenced prisoners with sentence plans is below the standard, reflecting a backlog of plans within the Public Prisons Service, which was being addressed throughout the year. The backlog was primarily attributable to:

- the impact of the timing differential between the decision to reduce the number of sentence planners in the Northern Region and the recruitment of additional sentence planners for the other regions in the upper North Island
- the increased throughput of remand and short-serving prisoners, and the associated higher level of prisoner movements as a result of these muster pressures, particularly in the upper North Island.

 $^{^{19}}$ Ministerial approval was received to revise this performance standard from 134. It now excludes remand prisoners.

During the year, a contingency plan was developed to address the backlog and emphasis was placed on attending to the backlog of sentence plans for medium and minimum security male prisoners, which was considered the best use of resources in the short term.

Notwithstanding the foregoing, achievement of a 100 percent standard under this quality measure is not realistic, because the overall prisoner population upon which the standard is based inevitably includes a proportion of prisoners who are not eligible for, or do not meet, the Department's criteria for sentence planning.

Accordingly, this measure has been amended in the 2005/06 financial year to record the percentage of sentence plans for those prisoners "who are eligible and have met the Department's criteria for sentence planning".

p

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.

	2003/04	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of general random drug screening tests				
carried out to be no less than:	2,937	3,250	2,585	665
The number of random drug screening tests carried				
out on prisoners returning from temporary release to				
be no less than:	323	350	387	-37
The number of random drug screening tests carried				
out on identified drug users to be no less than:	1,647	1,774	1,670	104
The number of other drug screening tests carried out				
to be no less than: ²⁰	5,459	5,422	4,215	1,207
Quality				
The annual average percentage of general random				
programme drug screening tests producing a positive				
result to be no more than:	17%	17%	16%	1%
The annual average percentage of random drug				
screening tests of prisoners returning from temporary				
release producing a positive result:	11%	13%	To be reported	
The annual average percentage of random drug				
screening tests of identified drug users producing a				
positive result:	36%	34%	To be reported	

Comment

The algorithm used to determine the number of general random programme drug screening tests generated a greater than anticipated number of tests during the year, resulting in a higher than expected number of tests being conducted. The additional number of tests generated by the algorithm was influenced by the higher than anticipated prison population, exacerbated by the increased throughput of prisoners.

The total number of other drug screening tests undertaken nationally over the financial year reflected the continued emphasis on both drug detection activities at all prisons, including the impact of tests conducted for reasonable cause and on voluntary grounds, and prison search policy activities, which were enhanced by the increase in the number of drug detection dog teams.

It is expected that the number of positive results for identified drug user tests will be higher than for the general population, because the prisoners have already been identified as drug users.

The positive result statistics need to be read in the context of the number of results that have yet to be determined. As at 12 September 2005:

- 75 results have yet to be determined of the 3,250 general random tests conducted
- 107 results have yet to be determined of the 1,774 identified drug user tests conducted
- 179 results have yet to be determined of the 5,442 other tests conducted.

²⁰ Other drug screening tests are defined as those undertaken on reasonable grounds or on a voluntary basis.

OUTPUT CLASS 6 INMATE EMPLOYMENT

Prisoner employment contributes to reducing re-offending by providing prisoners and remandees 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 gaining recognised qualifications and work experience that improve the chances of obtaining sustainable post-release employment, which reduces the likelihood of re-offending.

Over time, prisoner employment aims to provide all prisoners eligible and available for work with 1,410 hours of employment per year. In the 2004/05 financial year a total of 4.7 million hours of prisoner employment was achieved.

OUTPUT CLASS STATEMENT: INMATE EMPLOYMENT For the Year Ended 30 June 2005

30/06/04 Actual \$000		30/06/05 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
11,230	Crown	5,666	11,403	8,921*
25,752	Other	25,444	23,498	26,498
36,982	Total Revenue	31,110	34,901	35,419 [*]
36,983	Total Expenses	28,174	34,901	35,419*
(1)	Net Surplus/(Deficit)	2,936	0	0

^{*}These figures also include the following adjustment under section 5 of the Public Finance Act 1989:

Supplementary Estimates \$000	Section 5 Transfers \$000	Final Appropriation \$000
7,176	1,745	8,921

The Inmate Employment output class was expected to be over appropriation mainly due to difficulties in some markets with volatile commodity prices. As a result of significant vacancies and prisoners tracking below the Ministry of Justice's forecast, the Department was able to transfer the funds from the Custodial Services output class to cover this cost pressure.

OUTPUT 6.1 Land-Based Activities

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

	2003/04 Performance Standard 2004/09			004/05
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of hours worked by prisoners employed				
on land-based activities:	783,938	780,485	671,160	109,325
Quality				
The percentage of prisoners undertaking prisoner				
employment who receive an externally recognised				
qualification: ²¹	96%	351%	40%	311%

²¹ An externally recognised qualification is a NZQA unit standard or, where no unit standard exists, one that is a recognised equivalent standard. A recogised 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. The percentage of inmates who receive an externally recognised qualification is calculated as the number of unit standards passed against the number of full-time equivalent positions during the year.

Comment

The 2004/05 plan levels assumed minimal garden-based prisoner employment following a planned decision to close most garden ventures. Subsequently, a decision was made to continue with a greater volume of gardening ventures (albeit on a reduced scale) because the benefits of continuing were believed to outweigh the potential savings. This resulted in garden-based activities providing an additional 63,000 employment hours in the financial year. In other land-based activities, prisoners worked longer hours than anticipated in 2004/05 and compared with the 2003/04 year, which also increased delivery of employment hours.

The Department provided employment in land-based activities to an average number of 412 prisoners in the 2004/05 financial year, with a total of 1,944 New Zealand Qualifications Authority (NZQA) standards obtained by prisoners engaged in land-based activities, which equates essentially to five unit standards for every prisoner employed. The significant number of unit standards received reflects the delivery of many short course units (for example, first aid, safety in the workplace) to the large number of prisoners who pass through the various activities.

Notwithstanding, the existing performance measure does not satisfactorily reflect the quality of unit standard related training delivered. Accordingly, this performance measure has been removed and replaced in the Department's 2005/06 Statement of Intent with a more robust and meaningful measure.



OUTPUT 6.2 Manufacturing Activities

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

	2003/04	Perfo	rmance Standard 20	004/05
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of hours worked by prisoners employed				
on manufacturing activities:	876,777	883,618	826,260	57,358
Quality				
The percentage of prisoners undertaking prisoner				
employment who receive an externally recognised				
qualification: ²²	56%	68%	40%	28%

Comment

The full year over-delivery can largely be attributed to both higher than anticipated demand from the Regional Prisons Development Project for panels from the pre-cast concrete operation in Auckland Prison, and activity additional to that planned in the timber joinery operations, partially off-set by lower than anticipated delivery in textiles, craft and timber processing operations.

The Department provided employment in manufacturing activities to an average number of 510 prisoners in the 2004/05 financial year, with a total of 486 NZQA standards obtained by prisoners engaged in manufacturing activities, which equates essentially to one unit standard for every prisoner employed. The number of unit standards received reflects the delivery of many short course units (for example, first aid, safety in the workplace) to the large number of prisoners who pass through the various activities.

Notwithstanding, the existing performance measure does not satisfactorily reflect the quality of unit standard related training delivered. Accordingly, this performance measure has been removed and replaced in the Department's 2005/06 Statement of Intent with a more robust and meaningful measure.

²² An externally recognised qualification is a NZQA unit standard or, where no unit standard exists, one that is a recognised equivalent standard. A recogised 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. The percentage of inmates who receive an externally recognised qualification is calculated as the number of unit standards passed against the number of full-time equivalent positions during the year.

OUTPUT 6.3 Internal Service Self-Sufficiency Activities

R

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

- · kitchens and laundry
- · cleaning
- · prison asset maintenance.

	2003/04	Perfo	ormance Standard 2	004/05
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of hours worked by prisoners on internal				
self-sufficiency activities:	3,046,516	2,951,040	2,701,647	249,393
Quality				
The percentage of prisoners undertaking prisoner				
employment who receive an externally recognised	4.4007	4040/	400/	0.4.07
qualification: ²³	148%	121%	40%	81%

Comment

Internal service self-sufficiency activities are deliverable by both Corrections Inmate Employment and the Public Prisons Service, with the over-delivery in the year continuing the trend established in the 2003/04 financial year.

The over-delivery is primarily attributable to the Public Prisons Service, reflecting the continuing emphasis on unit cleaning and hygiene and as a means of minimising the impact of the reduction in other prisoner employment opportunities available at certain locations and for prisoners of particular security classifications.

The Department provided employment in internal service self-sufficiency activities to an average number of 533 prisoners in Corrections Inmate Employment and 2,276 prisoners in the Public Prisons Service in the 2004/05 financial year, with a total of 1,213 NZQA standards obtained by prisoners engaged in Corrections Inmate Employment internal service activities, which equates essentially to two unit standards for every prisoner employed by Corrections Inmate Employment. The significant number of unit standards received reflects the delivery of many short course units (for example, first aid, safety in the workplace) to the large number of prisoners who pass through the various activities.

Notwithstanding, the existing performance measure does not satisfactorily reflect the quality of unit standard related training delivered. Accordingly, this performance measure has been removed and replaced in the Department's 2005/06 Statement of Intent with a more robust and meaningful measure.

²³ An externally recognised qualification is a NZQA unit standard or, where no unit standard exists, one that is a recognised equivalent standard. A recogised 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. The percentage of inmates who receive an externally recognised qualification is calculated as the number of unit standards passed against the number of full-time equivalent positions during the year.



OUTPUT 6.4 Release to Work

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

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

	2003/04	Perfor	mance Standard 20	004/05
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of hours worked by prisoners on release-	40.400	00.050	50.400	22.25
to-work activities:	46,493	30,350	56,400	-26,050
Quality				
The percentage of prisoners undertaking release-to-				
work activities who meet the eligibility criteria:	100%	100%	100%	Nil

Comment

The under-delivery in hours reflects the fact that over the 2004/05 year an average of 15 prisoners have been available for release-to-work activities, compared with the 40 prisoners planned. This reduced level was primarily attributable to insufficient numbers of prisoners being available in the particular locations and with the appropriate security classifications. Factors that constrained the availability of prisoners for release-to-work activities included:

- prisoner behaviour, for example, identified drug user status, a history of escapes or breaches of temporary release conditions
- · a high risk of re-offending
- prisoner eligibility for back-end home detention
- programme attendance requirements especially toward the end of a sentence, for example, Kia Marama and Te Piriti
- lower risk prisoners being too close to full release to benefit from release-to-work, linked to the usual requirements for prisoners to have been on minimum security for three or six months and, where applicable, to have had a New Zealand Parole Board hearing
- medical complaints limiting the type of employment
- the requirement for a prisoner to be on segregation, for example, because of offence type
- in the case of prisoners on life sentences and preventive detention, there is no recommendation from the New Zealand Parole Board for release-to-work
- time taken to approve identified eligible prisoners.

Corrections Inmate Employment and the Public Prisons Service have been, and are currently, addressing this issue with a view to identifying appropriate options to increase delivery of this activity. A full review of the release- to-work regime is scheduled to be completed by 30 September 2005, in order to identify opportunities to increase the available pool of prisoners without compromising public safety.

OUTPUT 6.5 Vocational Training Services

R

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

	2003/04	Perfo	mance Standard 20	004/05
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of prisoners who commence training				
towards the achievement of an externally recognised qualification:	1.306	1.370	1,125	245
qualification.	1,500	1,010	1,120	240
Quality				
The percentage of prisoners undertaking training				
activities who receive an externally recognised				
qualification: ²⁴	80%	83%	40%	43%

Comment

The results for the year continued the trends established in 2003/04, with delivery in excess of planned levels, particularly in the Waikato/Central and Midland regions of the Public Prisons Service, which accounted for 67 percent of the volumes achieved.

The Public Prisons Service has consistently exceeded the target in respect of prisoners attending vocational training activities, reflecting the fact that many of the courses offered are generally of short duration and thus attractive to prisoners. The attraction of these short courses is also reflected in the relatively high completion rates and thus the numbers of prisoners receiving externally recognised qualifications.

²⁴ 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 during the day in supervised work parties benefiting local communities.

	2003/04	Perfo	rmance Standard 2	004/05
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of hours worked by prisoners on				
community services:	77,841	55,312	80,000	-24,688
The average number of prisoners engaged on				
community services:	64	56	160	-104
Quality				
The percentage of prisoners who have undertaken				
community services and have received a work				
certificate or record of achievement from the				
Department upon their release, to be no less than:	65%	Not reported	100%	

Commen

Staffing levels and muster pressures, particularly those associated with the increased throughput of remand and short-serving prisoners, impacted on the ability of some Public Prisons Service regions to meet community service requirements. Consequently, both deliverable hours and numbers of prisoners employed were significantly below planned levels. Notwithstanding, where operational requirements permitted, emphasis continued to be placed on community service activities, to identify and take advantage of all available opportunities.

The Department's existing data capture systems were unable to facilitate the provision of work certificates to prisoners engaged on community service activities. In addition, it is considered that this performance measure does not satisfactorily reflect the quality of employment delivered. Accordingly, this performance measure has been removed from the *Department's 2005/06 Statement of Intent*.

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/whanau.

 Emphasis is placed on the targeted provision of reintegrative services to reinforce and sustain behavioural changes by building up basic skills (for example, budgeting and relationship management) which support reintegration into the community. 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.

OUTPUT CLASS STATEMENT: REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES For the Year Ended $30~\mathrm{June}~2005$

30/06/04 Actual \$000		30/06/05 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
43,871	Crown	40,266	47,923	41,766
858	Departmental	836	1,496	1,496
0	Other	0	0	0
44,729	Total Revenue	41,102	49,419	43,262
44,167	Total Expenses	40,608	49,419	43,262
562	Net Surplus	494	0	0



OUTPUT 7.1 Responsivity/Motivational Programmes

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

- · Straight Thinking, which aims to improve the critical reasoning required for effective social integration
- · Tikanga Māori programmes, which are delivered to community-based offenders, remand and sentenced prisoners (including youth in specialist male Young Offenders Units). These programmes are designed to use Māori philosophy, values, knowledge and practices to increase motivation for the offender to address their offending behaviour
- Christian-based programmes, which are delivered in the Faith-based Unit at Rimutaka Prison.

	2003/04 Performance Standard 2004		04/05	
Performance Measure	Actual	Actual	Budget	Variance
STRAIGHT THINKING PROGRAMMES				
Quantity				
The number of hours offenders spend attending a				
Straight Thinking programme				
Prisoners:	44,916	39,812	55,440 ²⁵	-15,628
Community-based offenders:	27,976	21,330	53,900 ²⁶	-32,570
The number of offenders who start a Straight				
Thinking programme				
Prisoners:	752	710	779 ²⁷	-69
Community-based offenders:	560	483	932 ²⁸	-449
Quality				
The percentage of offenders who start and complete				
a Straight Thinking programme to be no less than				
Prisoners:	84%	87%	80%	7%
Community-based offenders:	67%	54%	65%	-11%

Comment

There has been a steady increase in the number of offenders starting Straight Thinking throughout the year as the capacity and capability of Intervention Services increased. However, this has not been sufficient to compensate for under-delivery arising earlier in the financial year, particularly within the Community Probation Service.

Increases in the number of new starts have been particularly positive in the Public Prisons Service. Within the Community Probation Service an ongoing issue of low levels of appropriate referrals remains. The variance in programme hours completed in the Community Probation Service is primarily due to offenders exited from the programme for poor motivation and attendance.

Intervention Services and the Community Probation Service are working together to identify strategies to address the number of referrals to Straight Thinking and to maintain the motivation and attendance of offenders while undertaking the programme.

²⁵ Ministerial approval was received to revise this performance standard from 69,300.

²⁶ Ministerial approval was received to revise this performance standard from 82,880.

27 Ministerial approval was received to revise this performance standard from 89.0.

All of the performance standard from 90.0.

Ministerial approval was received to revise this performance standard from 1,184.





	2003/04	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
TIKANGA MĀORI PROGRAMMES				
Quantity				
The number of offenders who start a Tikanga Māori				
programme:				
Prisoners:	841	841	943	-102
Community-based offenders:	239	416	523	-107
Quality				
The percentage of offenders who start and complete				
a Tikanga Māori programme to be no less than:				
• Prisoners:	99%	96%	75%	21%
Community-based offenders:	67%	71%	65%	6%

Comment

The reduced number of new starts in the Public Prisons Service primarily reflects the cancellation of one of the men's Tikanga Māori programmes in the Northern Region because of staffing and operational issues, the postponement of the scheduled women's Tikanga Māori programme in both the Wellington and Southern regions as a result of delays in the scheduled appointment of the service providers, and the fact that the programmes were not always delivered to the planned optimum number of prisoners.

Although still below target, the number of offenders who started a programme in the Community Probation Service was significantly higher than in the previous year (239). This reflects a considerable focus on this programme throughout the year, and particularly within the Central Region. Similar initiatives in the Northern and Southern region should see the targets achieved in 2005/06.

The pilot of the women's Tikanga Māori programme was successfully completed with two programmes delivered in the Hawke's Bay/Gisborne area and one in the Tai Tokerau area.

The completion rate for both prisoners and community-based offenders remained above expectations.

	2003/04	Perform	nance Standard 20	004/05
Performance Measure	Actual	Actual	Budget	Variance
FAITH BASED UNIT				
Quantity				
The number of sentenced prisoners in the Faith-based				
Unit to be up to:	59	60	60	Nil
Quality				
The minimum average occupancy rate:	99%	100%	95%	5%



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
- EQUIP, a youth offender programme designed to develop cognitive behavioural reasoning for effective social interaction
- substance abuse programmes to highly recidivist offenders with identified alcohol- and drug-related needs. The output includes the delivery of alcohol and drug treatment programmes within special treatment units
- generic criminogenic programmes, such as the Mixed Programme to Reduce Re-offending (M-PRO) and Structured Individual Programmes (SIP)
- Māori therapeutic programmes involving alcohol, drug, and violence prevention delivered in Māori Focus Units and at the Northland Region Corrections Facility
- Making Our Drivers Safer (MODS), a programme delivered within the community to reduce re-offending by addressing highrisk, recidivist traffic offenders.

	2003/04	Performance Standard 2004/05			
Performance Measure	Actual	Actual	Budget	Variance	
SEX OFFENDER TREATMENT PROGRAMMES					
Quantity					
The number of hours prisoners spend attending a					
programme at					
Kia Marama:	14,243	12,616	12,500	116	
Te Piriti:	14,325	12,883	12,500	383	
The number of prisoners who start a programme at:					
Kia Marama:	46	40	40	Nil	
• Te Piriti:	44	40	40	Nil	
Quality					
The number of prisoners who start and complete a					
programme at:					
Kia Marama to be no less than:	37	38	38	Nil	
Te Piriti to be no less than:	43	39	38	1	
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%	Nil	
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.					

Comment

During the year, there were increased numbers of prisoners in each treatment group at Kia Marama following the unit's adoption of the Te Piriti model of increased cultural input. The transition from eight prisoners per group to ten prisoners per group, and the subsequent reduction in the number of programmes from five to four, resulted in the delivery of programme hours earlier than originally anticipated, although the year-end result was in line with the planned level.





	2003/04	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
VIOLENCE PREVENTION PROGRAMMES				
Quantity				
The number of hours prisoners spend attending a				
violence prevention programme at Rimutaka Prison:	8,112	8,007	7,700	307
The number of prisoners who start a violence				
prevention programme at Rimutaka Prison:	29	30	30	Nil
Quality				
The number of violence prevention programmes				
completed at Rimutaka Prison:	3	3	3	Nil
The percentage of offenders who start and complete				
a violence prevention programme at Rimutaka Prison:	80%	73%	70%	3%

2003/04		Perfor	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance	
EQUIP					
Quantity					
The number of EQUIP programme hours provided to					
young offenders:	2,864	3,691	3,840	-149	
The number of young offenders who start an EQUIP					
programme:	165	181	134	47	
Quality					
The percentage of sentenced youth in Young Offenders					
Units who participate in an EQUIP programme:	73%	59%	98%	-39%	

Comment

The high level of throughput in the Young Offenders Units over the year is reflected in the significant number of young offenders who commenced the programme. The increased throughput reflects the Department's obligations under international conventions and the service description for prisoner receptions to the Young Offenders Units, together with the subsequent movement of young offenders through to mainstream facilities.

The percentage of sentenced youth in the Young Offenders Units who participated in an EQUIP programme was below planned levels, reflecting the high level of throughput, in combination with the continued impact of the sentence management business rules, under which certain prisoners are not eligible for the programme.



OUTPUT 7.2 Criminogenic Programmes (continued)

	2003/04	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
CRIMINOGENIC PROGRAMMES (EXCLUDING				
MAORI THERAPEUTIC PROGRAMMES)				
Quantity				
The number of hours offenders spend attending a				
criminogenic programme				
• Prisoners:	81,325	73,410	105,400	-31,990
Community-based offenders:	43,908	36,428	73,190	-36,762
The number of offenders who start a criminogenic				
programme				
• Prisoners:	679	466	700	-234
Community-based offenders:	632	513	783	-270
Quality				
The percentage of offenders who start and				
complete a criminogenic programme				
• Prisoners:	74%	67%	75%	-8%
Community-based offenders:	76%	71%	65%	6%

Comment

Criminogenic programmes delivered within this grouping and under this output, comprise:

- delivery of the Department's 100-hour criminogenic programmes by Intervention Services to offenders within the Public Prisons Service and the Community Probation Service
- structured Individual Programmes delivered to offenders in the Community Probation Service
- $\bullet\,$ delivery of specialist programmes in the Public Prisons Service's Drug Treatment Units
- delivery of the Pacific violence prevention programme, Saili Matagi, at Auckland Prison.

The number of offenders commencing 100-hour criminogenic programmes was met by Intervention Services for prisoners (target 310, actual 311) but not for offenders in the community (target 783, actual 513). The result for offenders managed by the Community Probation Service was due to the level of capacity of Intervention Services, which arose from delays in recruitment of facilitators and have now largely been addressed.

Delivery hours were below target due to offender absences from programmes, the number of offenders who commenced programmes and some programmes not being completed before the end of the financial year.

Delivery of programmes within the Public Prisons Service Drug Treatment Units was below planned levels, primarily reflecting resourcing and other operational issues associated with delivery of the programme at Rolleston Prison. The Public Prisons Service is currently investigating future programme delivery options for the Rolleston Drug Treatment Unit, with a report to be presented for approval in the 2005/06 financial year.

Delivery of the Saili Matagi programme was delayed and did not commence until late in the financial year, with the programme not now scheduled to be completed until early in the 2005/06 financial year. This factor has also impacted on the overall completion rate for the delivery of programmes within the Public Prisons Service, which was below planned levels at 67 percent. The completion rate for the Department's 100-hour criminogenic programmes delivered by Intervention Services was in line with the target at 75 percent.

OUTPUT 7.2 Criminogenic Programmes (continued)



2003/		Perfor	mance Standard 20	04/05
Performance Measure	Actual	Actual	Budget	Variance
MĀORI THERAPEUTIC PROGRAMMES				
Quantity				
The number of hours prisoners spend attending				
Māori therapeutic programmes:	23,973	2,728	5,000	-2,272
The number of prisoners who start a Māori				
therapeutic programme:	323	20	50 ²⁹	-30
Quality				
The percentage of prisoners who start and complete				
Māori therapeutic programmes to be no less than:	70%	100%	75%	25%

Comment

The policy and service description for Māori Therapeutic Programmes were revised to provide consistency to the programme content and delivery, and focus on addressing the offending need. In line with the approved implementation plan, the Public Prisons Service undertook a consultation and appointment process to select suitable existing Māori Therapeutic Programme providers to deliver the revised Māori Therapeutic Programmes.

The consultation process, evaluation and subsequent training of providers extended over a longer period than originally anticipated. Consequently delivery of the programme only occurred during the final quarter of the financial year, at Hawke's Bay and Wanganui prisons. The Public Prisons Service is currently undertaking a competitive tender process to select providers for the remaining programmes, where the existing providers either did not wish to participate or did not meet the requirements.

The number of Māori Therapeutic Programme hours delivered reflects the delivery of two programmes to 20 prisoners, and also includes a small number of hours relating to the completion of one of the previous programmes at Hawke's Bay Prison in July 2004.



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 and alcohol and drug programmes delivered by third parties
- community-based violence prevention programmes delivered by third parties.

	2003/04	Perfor	mance Standard 2	004/05
Performance Measure	Actual	Actual	Budget	Variance
Quantity The number of hours offenders spend attending other rehabilitative programmes funded by Probation and Offender Services:	117,710	117,911	95,000	22,911
Quality The percentage of offenders who start and complete a rehabilitative programme funded by Probation and Offender Services to be no less than:	59%	53%	65%	-12%

Comment

The Department had anticipated a reduction in the number of hours spent on other programmes as it continued to tighten the focus of funded programmes. However, this reduction did not occur, with the total being almost identical to 2003/04 (117,710), suggesting that the decrease in hours spent on programmes no longer funded were not as substantial as had been expected. The standard has been increased for 2005/06.

The completion rate is below target, and requires further investigation.

OUTPUT 7.4 Education and Training

R

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.

	2003/04	Perfo	formance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance	
Quantity					
The number of hours prisoners spend attending a					
module under the NCES:	115,644	132,003	236,827	-104,824	
Quality					
The percentage of prisoners who start and complete					
a module under the NCES to be no less than:	73%	84%	80%	4%	

Comment

The full year under-delivery in programme hours was primarily attributable to a number of key factors:

- prison population pressures and the associated high numbers of transfers and movements
- · changes to operational practices at certain sites, resulting from ongoing muster issues and staff shortages
- low prisoner demand, attributed to lower numbers of referrals than anticipated
- · a number of classes were delivered to five prisoners or less, compared with the average planned class size of eight
- classroom availability, both in terms of insufficient classrooms and constraints on the times during which the classrooms could be utilised
- tutor unavailability due to resignations and sickness.

Despite the under-delivery in prisoner hours, over 100 prisoners graduated with the qualification, and in excess of 28,000 unit standard credits were achieved by prisoners in the year.



OUTPUT 7.5 Reintegrative Services

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

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

2003/04		Perfori	mance Standard 20	004/05
Performance Measure	Actual	Actual	Budget	Variance
WHANAU LIAISON SERVICE				
Quantity				
The number of offenders and their families/whanau				
receiving the whanau liaison service to be no less than:	281	267	257	10
Quality				
The percentage of offenders and their families/				
whanau receiving the whanau liaison service for				
which an action plan is developed to be no less than:	98%	94%	100%	-6%

	2003/04 Performance Standard 2004/05			004/05
Performance Measure	Actual	Actual	Budget	Variance
REINTEGRATIVE SERVICES – as provided by the				
Public Prisons Service				
Quantity				
The number of hours delivered by the Public Prisons				
Service for reintegrative services for prisoners:	20,669	24,575	38,200	-13,625
Quality				
The percentage of reintegrative services provided by				
the Public Prisons Service in accordance with a				
prisoner's plan to be no less than:	100%	90%	90%	Nil

Comment

Delivery of Reintegrative Services within the Public Prisons Service was significantly below planned levels, with lower delivery recorded in each of the living, budgeting and parenting skills programmes. The compilation of the Reintegrative Services plan assumed the maximum class sizes of 12 prisoners for each programme. However, a number of factors continued to impact on the ability of Public Prisons Service regions to ensure that programmes were delivered to the optimal planned class sizes, which, in some instances, resulted in course postponements, thus further contributing to lower delivery volumes. These factors included:

- a lower number of referrals than originally anticipated
- prisoner withdrawals from the programmes
- muster-related issues and prisoner transfers
- inability to mix certain groups of prisoners
- inadequate and insufficient classrooms located in accessible areas.





	2003/04	Performance Standard 2004/05		004/05
Performance Measure	Actual	Actual	Budget	Variance
REINTEGRATIVE SERVICES – as provided by the New Zealand Prisoners' Aid and Rehabilitation Society (NZPARS) Quantity				
The number of support service hours to be provided to be no more than:	34,710	40,070	40,860	-790
Quality The percentage of referrals (urgent or otherwise) to NZPARS per month acknowledged within five working				
days of receipt:	95%	98%	95%	3%

Comment

Support service hours delivered by NZPARS were marginally below planned levels, primarily reflecting the non-delivery of planned services at the Northland Region Corrections Facility as a result of NZPARS' capacity and infrastructure constraints within the region. The associated approved funding was utilised to assist NZPARS in the establishment of an infrastructure base in Northland in the final quarter, in advance of service delivery in the 2005/06 year.

	2003/04	Perfo	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance	
REINTEGRATIVE SUPPORT SERVICES					
Quantity					
The number of offenders and their families/whanau					
receiving the service to be no more than:	106	91	120	-29	
Quality					
The percentage of offenders and their families/					
whanau receiving the service for which an action					
plan is developed to be no less than:	100%	100%	100%	Nil	

Comment

The number of offenders receiving this service has been below target at both sites (Auckland and Christchurch). This appears to have been largely due to issues related to inappropriate referrals to the services, and the increase in the prison population, which has resulted in increased prisoner movements. Funding for the services (currently pilots) has been confirmed to June 2006, while government considers the results of an outcome evaluation completed in June 2005.



OUTPUT 7.6 Community Residential Centres and Reducing Youth Offending Programme

This output entails offenders' attendance at community residential centres to address reintegrative and rehabilitative needs, and the piloting of the Reducing Youth Offending programme.

2003/04		Perfo	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance	
COMMUNITY RESIDENTIAL CENTRES					
Quantity					
The number of offenders directed to attend a					
community residential centre:	64	68	82	-14	
The number of psychologist hours provided to					
Montgomery House:	745	860	740	120	
Quality					
The percentage of offenders who successfully					
undertake their community residential centre order					
to be no less than:	76%	87%	60%	27%	
The percentage of assessments for Montgomery					
House programmes for which all of the information					
elements were assessed to be:	92%	100%	100%	Nil	
The percentage of post-programme assessments for					
Montgomery House programmes completed by a					
psychologist to be:	100%	100%	100%	Nil	
The percentage of clinical monitoring reports for					
Montgomery House programmes that adhere to the					
standards to be:	100%	100%	100%	Nil	
The percentage of clinical monitoring reports for					
Montgomery House programmes provided within					
agreed timeframes to be:	100%	100%	100%	Nil	

Comment

The number of offenders attending community residential centres is slightly higher than last year (64) although still below target. The Department and the providers are continuing to work closely to maximise appropriate referrals to these centres. The variance in psychologist hours resulted from the need to train new staff in delivery of the Montgomery House programme. Completion rates, for those who do start, continued to improve to 87 percent, compared to 76 percent in 2003/04.

	2003/04	Perfor	mance Standard 20	004/05
Performance Measure	Actual	Actual	Budget	Variance
REDUCING YOUTH OFFENDING PROGRAMME				
Quantity				
The number of youth who are directed to attend a				
Reducing Youth Offending programme:	81	109	130	-21
Quality				
The percentage of youth who successfully undertake				
a Reducing Youth Offending programme order to be				
no less than:	78%	74%	70%	4%

Comment

The number of youth attending the programme continues to increase (109 compared with 81 in 2003/04), although the full year result has been below target. The programme has continued to experience difficulties in identifying appropriate referrals, and this remains a focus for the programme managers for 2005/06.

Efforts by both sites (Auckland and Christchurch) to improve programme completion rates have been successful, with a year-end result of 74 percent achieved.

R

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

2003/04		Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
PSYCHOLOGICAL SERVICES				
Quantity				
The number of psychological consultation hours				
provided to the				
Public Prisons Service:	9,625	9,609	9,199	410
Community Probation Service:	10,285	10,751	11,288	-537
Community Probation Service (extended				
supervision):	lew measure	23	156 ³⁰	-133
The number of psychological reports provided				
to the				
Public Prisons Service:	1,117	975	779	196
Community Probation Service:	1,084	1,089	916	173
Quality				
The percentage of psychological consultations which				
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	l			
problems)				
appropriate interventions are used (based on				
current literature)				
adequate case notes are recorded for all sessions				
 records are kept of ongoing measures or 				
observations to monitor interventions				
assessment and treatment reports are completed				
and delivered.				
The percentage of psychological reports which meet				
the following standards to be no less than:	100%	100%	95%	5%
 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. 				

Comment

The requirement to deliver more reports for the New Zealand Parole Board, and clearing the initial batches of extended supervision health assessments, limited the time available for the delivery of psychological consultation hours. While remedial action was taken in the final quarter, delivery of consultation hours to the Community Probation Service was marginally below planned levels.

 $^{{\}bf 30}_{\rm \ Ministerial}$ approval was received for the development of this new measure.

The number of psychological reports provided to the Public Prisons Service and the Community Probation Service was above planned levels, primarily reflecting the throughput of offenders in the Young Offenders Units, and the requirement to provide reports on offenders as they move out of the programmes. In addition, the urgency of waiting lists continued to necessitate the undertaking of assessments (which require a report) to prioritise offenders.

The lower number of consultation hours provided for extended supervision offenders is attributable to the time interval for granting extended supervision orders, with a number of high-risk offenders continuing to be managed under parole conditions, having not yet moved under extended supervision orders.



OUTPUT 7.7 Provision of Psychological Services (continued)

	2003/04	Performance Standard 2004/05		004/05
Performance Measure	Actual	Actual	Budget	Variance
BICULTURAL THERAPY MODEL				
Quantity				
The number of consultation hours provided by				
Māori service providers under the Bicultural Therapy				
Model:	4,104	3,897	4,000	-103
Quality				
The percentage of Māori service providers who				
comply with the following standards when delivering				
consultation hours under the Bicultural Therapy				
Model to be:	98%	99%	100%	-1%
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.				

Comment

All Māori prisoners are offered bicultural therapy. An increasing number of prisoners are taking up this option – commensurate with the increased emphasis placed on it. The Bicultural Therapy Model continued to be maintained by each Psychological Service office and regional managers.

OUTPUT 7.8 Chaplaincy Services

R

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

2003/04		Perform	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance	
Quantity The number of full-time equivalent chaplains in prisons:	31	32	26	6	
Quality					
The percentage of chaplaincy service reports					
provided to the Public Prisons Service within the	4000/	4000/	4000/	NII	
agreed timeframes:	100%	100%	100%	Nil	

Comment

The increased number of chaplains reflects the fact that the Catholic Bishop continued to make available additional chaplains to the Chaplaincy Service on a gratis basis, as a gesture of goodwill.

OUTPUT CLASS 8 SERVICES TO THE NEW ZEALAND PAROLE BOARD

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

OUTPUT CLASS STATEMENT: SERVICES TO THE NEW ZEALAND PAROLE BOARD For the Year Ended $30~\mathrm{June}~2005$

30/06/04 Actual \$000		30/06/05 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
5,476	Crown	5,434	5,870	5,434
0	Other	0	0	0
5,476	Total Revenue	5,434	5,870	5,434
5,319	Total Expenses	5,356	5,870	5,434
157	Net Surplus	78	0	0

OUTPUT 8.1 Services to the New Zealand Parole Board

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

	2003/04 Performance Sta		mance Standard 20	Standard 2004/05	
Performance Measure	Actual	Actual	Budget	Variance	
Quantity					
The number of hearings by the New Zealand Parole					
Board to be:	9,027	8,971	8,000	971	
Quality					
The percentage of offenders or victims notified of an					
impending hearing at least 10 working days before					
a hearing:	100%	100%	95%	5%	
The percentage of offenders or victims notified of a					
Board decision within 10 working days after a hearing:	100%	95%	95%	Nil	
The percentage of papers for home detention (deferred					
sentences) hearings provided to the Board at least five					
working days before a hearing:	85%	97%	95%	2%	
The percentage of all other papers for each hearing					
provided to the Board at least 10 working days before a					
hearing:	85%	95%	95%	Nil	
The scheduling of cases to be heard by the Board to be					
within the timeframe specified in the Parole Act 2002:	100%	100%	100%	Nil	

Comment

The increased number of hearings reflects the anticipated impact of the changes to the Parole Act 2002 and Sentencing Act 2002, notwithstanding a reduction in deferred home detention applications.

OUTPUT CLASS 9 POLICY ADVICE AND DEVELOPMENT

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

OUTPUT CLASS STATEMENT: POLICY ADVICE AND DEVELOPMENT For the Year Ended $30\ \mathrm{June}\ 2005$

30/06/04 Actual \$000		30/06/05 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
4,070	Crown	5,309	4,468	5,309
0	Other	0	0	0
4,070	Total Revenue	5,309	4,468	5,309
3,981	Total Expenses	4,938	4,468	5,309
89	Net Surplus	371	0	0



OUTPUT 9.1 Policy Advice and Development Services

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

20	003/04	Performance Standard 2004/05		004/05
Performance Measure	Actual	Actual	Budget	Variance
Quantity Advice will be provided according to a work programme				
agreed with the Minister of Corrections:	79%	100%	100%	Nil
Quality				
The Minister of Corrections will expect advice to be				
delivered according to the quality standards as				
outlined below:	100%	100%	100%	Nil
 the aims of the paper have been clearly stated and 				
they answer the questions that have been set				
the assumptions behind the advice are explicit, and				
the argument is logical and supported by the facts				
the facts in the paper are accurate and all material				
facts have been included				
an adequate range of options has been presented				
and each has been assessed for benefits, costs and				
consequences to the Government and the community				
there is evidence of adequate consultation with				
interested parties and possible objections to proposals				
have been identified				
the problems of implementation, technical feasibility,				
timing and consistency with other policies have been				
considered				
the format meets Cabinet Office requirements, the				
material is effectively and concisely summarised, has				
short sentences in plain English and is free of spelling				
or grammatical errors.				
Timeliness				
Policy advice purchased will be delivered within the				
specific reporting deadlines agreed with the Minister				
of Corrections:	79%	100%	100%	Nil





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

2003/04		Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of responses to be prepared to Ministerial				
correspondence is estimated to be:	479	481	600	-119
The number of responses to Parliamentary questions				
is estimated to be:	806	450	700	-250
Quality				
The percentage of replies returned for redrafting not				
to exceed:	20%	15%	10%	5%
All responses signed out by either a general manager				
or, in his or her absence, an appropriate manager				
to be:	100%	100%	100%	Nil
Timeliness				
The percentage of responses to Ministerial				
correspondence completed within the timeframes				
agreed with the Minister's Office to be no less than:	74%	67%	90%	-23%
The percentage of responses to Parliamentary				
questions completed within the timeframes set by				
the Minister's office to be:	90%	84%	100%	-16%

Comment

The volume of Ministerial correspondence was lower than expected for the year, perhaps due to political attention surrounding law and order issues being focused on other portfolios. Notwithstanding, the overall complexity of correspondence topics, and the level of research and consultation required for complete and accurate responses, did not diminish.

The number of Parliamentary questions, particularly in the final quarter, was also significantly lower than anticipated, probably due to political energies being re-directed towards the forthcoming election.

Responses returned for re-drafting covered a wide variety of subjects, with re-write requests usually involving politically sensitive topics and, in a small number of instances, the correction of proof-reading errors. In addition, the Minister also requested the provision of more background information on a number of issues.

Overdue items of Ministerial correspondence continued to be prisoner related, necessitating the receipt of information from prisons. The sensitive nature of this information (including Official Information Act requests) demands particular care in research, drafting and compilation.



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.

	2003/04	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
Quality				
The percentage of research and evaluation delivered				
to agreed project milestones:	100%	88%	100%	-12%
The percentage of psychological and other research				
that will be provided to the following criteria contained				
in the Psychological Service Manual:	100%	100%	100%	Nil
the hypothesis/aim of the research is clearly stated; capable of being tested; uses minimal variables; is resourced appropriately				
 data collection is to meet appropriate standards of research design, and appropriate analysis tools are to be used 				
the results are accurately and clearly described				
 there is concise and thorough explanation of the 				
implications of the results for the issues investigated				
the research should be peer reviewed both internally and externally				
the report is written in a format appropriate to the audience				
the aims of the paper are accurate and all material				
facts have been included				
the material is free of spelling or grammatical errors				
and an executive summary is provided if the report				
exceeds five pages				
when possible the material is published within				
internationally recognised journals.				

Comment

Delays were experienced in commencing a number of research projects while some aspects of the proposed work were clarified within the Department. In addition, during the year, one researcher was central to the preparation and presentation of the Department's evidence for Waitangi Tribunal hearing claims, while another researcher continued to represent the Department at court and New Zealand Parole Board hearings regarding risk assessments.

Part one of a research project could not be completed in 2004/05, because Information Technology changes during the year precluded the Psychological Service from accessing the recidivism data required.

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OUTPUT CLASS 10 SERVICE PURCHASE AND MONITORING

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

OUTPUT CLASS STATEMENT: PURCHASE AND MONITORING

For the Year Ended 30 June 2005

30/06/04 Actual \$000		30/06/05 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
3,778	Crown	1,529	3,919	1,529
0	Other	0	0	0
3,778	Total Revenue	1,529	3,919	1,529
3,696	Total Expenses	1,449	3,919	1,529
82	Net Surplus	80	0	0

OUTPUT 10.1 Purchase and Monitoring of Service Delivery

This output involves the development, management and monitoring of:

- Internal Purchase Agreements with the five internal providers of corrections services (Public Prisons Service, Community Probation Service, Psychological Service, Intervention Services and Corrections Inmate Employment)
- services purchased from external providers, in particular with NZPARS, Books in Prison Trust and Arts Access Actearoa
- interagency agreements, 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.

	2003/04	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
INTERAGENCY AGREEMENTS				
Quantity				
The number of interagency agreements managed by				
Corporate Management:	11	13	12	1
Quality				
The percentage of interagency agreements managed				
in accordance with the review and reporting provisions				
to be:	100%	100%	100%	Nil
Timeliness				
The percentage of interagency agreements that are				
renegotiated and/or reviewed by the date specified				
to be:	100%	100%	100%	Nil

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OUTPUT 10.1 Purchase and Monitoring of Service Delivery (continued)

	2003/04	Performance Standard 2004/05		
Performance Measure	Actual	Actual	Budget	Variance
INTERNAL PURCHASE AGREEMENTS AND EXTERNAL CONTRACTORS Quantity				
The number of Internal Purchase Agreements with internal providers: The number of contracts for services with external	4	5	5	Nil
providers negotiated and managed by Corporate Management:	3	3	3	Nil
Quality The percentage of Internal Purchase Agreements and contracts for services with external providers that meet the following standards to be: • services are clearly described • performance measures and standards are specified • price and payment regime (including incentives as	100%	100%	100%	Nil
 appropriate) format and dates of reporting requirements are specified. The percentage of Internal Purchase Agreements and contracts for services with external providers that are regularly reviewed and reported on in terms of the following criteria to be: 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. 	100%	100%	100%	Nil

OUTPUT 10.1 Purchase and Monitoring of Service Delivery (continued)

2003/04 Perform		rmance Standard 2	ance Standard 2004/05	
Performance Measure	Actual	Actual	Budget	Variance
COMMUNITY FUNDING CONTRACTS Quantity				
The number of community funding contracts to be				
negotiated with external providers:	99	99	110	-11
Quality				
The percentage of community funding contracts with				
a value of \$20,000 (or over) that have performance measures and standards to the following criteria to be:	100%	100%	100%	Nil
 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 		10070	100%	IVII
 the price is identified in the schedule of the contract the payment regime is specified the format and dates of reporting requirements are 				
stated				
 the mechanism for resolving disputes is stated the programme is clearly described (including programme aims, content and delivery process) 				
the contract is legal.				
Timeliness				
The percentage of community funding contracts with				
values of \$20,000 (or over) agreed and in place by				
the agreed date to be no less than:	95%	100%	95%	5%

Comment

The number of contracts negotiated is the same as for 2003/04, with changes in the mix of contracts not resulting in the increase in numbers that had been allowed for.

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OUTPUT 10.1 Purchase and Monitoring of Service Delivery (continued)

	2003/04	Perfo	rmance Standard 20	004/05
Performance Measure	Actual	Actual	Budget	Variance
CONTRACTS WITH COMMUNITY RESIDENTIAL CENTRES				
Quantity				
The number of contracts between the Probation and	2	2	2	NI:I
Offender Services and community residential centres:	3	3	3	Nil
Quality				
The percentage of contracts for services with				
community residential centres that meet the following				
standards:	100%	100%	100%	Nil
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. 				
The percentage of contracts for services with				
community residential centres that are regularly				
reviewed and reported on in terms of the following				
criteria to be:	100%	100%	100%	Nil
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.				

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 Assurance Board and is independent of the service groups that it inspects.

	2003/04	Perfo	rmance Standard 2	004/05
Performance Measure	Actual	Actual	Budget	Variance
Quantity				
The number of inspections in the inspectorate work				
programme as approved by the Assurance Board				
Routine visits:	94	96	80-120	Nil
Special investigations:	17	12	10-30	Nil
Quality				
The percentage of inspections that are carried out				
to the following criteria to be:	100%	100%	100%	Nil
to a quality which satisfies the 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 finished				
within one month of visit. All special reports will be				
finished within the time period agreed in the terms of				
reference for the investigation:	96%	98%	100%	-2%



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.

2003/04	Perfo	rmance Standard 20	004/05
Actual	Actual	Budget	Variance
7.731	8.451	9.000	-549
100%	100%	100%	Nil
100%	100%	100%	Nil
100%	100%	100%	Nil
100%	100%	100%	Nil
	7,731 100% 100%	Actual Actual 7,731 8,451 100% 100% 100% 100%	Actual Actual Budget 7,731 8,451 9,000 100% 100% 100% 100% 100% 100% 100% 100% 100%

Comment

The number of information transactions is driven by requests from external agencies and is outside the Department's control.

PART 3



Sustainable Development Report

PART 3 - SUSTAINABLE DEVELOPMENT REPORT



Sustainable Development Framework

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Reducing Inequalities

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SUSTAINABLE DEVELOPMENT FRAMEWORK

The Department's sustainable development framework looks at how the Department goes about its business (as opposed to what it does) and measures impacts and progress towards sustainability as an organisation.

The Department continues to progress the development of its sustainable development framework. The full benefit and effectiveness of this framework will occur as it is progressively linked to the Department's decision making and core processes.

The 2002 Sustainability Reporting Guidelines, protocols and sector supplements prepared and issued by the Global Reporting Initiative are being informally applied as the basis for the Department's sustainable development framework for the future. The guidelines provide a list of core and additional social, environmental and economic aspects and indicators that, where relevant to the particular organisation, should be consistently measured and reported.

It is accepted internationally that defining sustainability in terms of three separate elements (social, environmental and economic) can encourage thinking about, and treating, each element in isolation, rather than in an integrated manner. Achieving sustainability requires balancing the relationships of all three elements, something that is better communicated through the use of the term 'sustainable development'. This concept has evolved and a better understanding of the relationships between the core elements and the underlying philosophy exists throughout the international community and the New Zealand public sector.

Notwithstanding the progress to date, sustainable development is still in its early stages within the Department.

The Department's focus therefore remains on:

- identifying relevant social, environmental and economic indicators, and the structure of its framework
- identifying and developing core external sustainable development relationships
- communicating sustainable development and its principles both within and outside of the Department
- developing efficient and effective internal processes to ensure the effective measurement and collation of relevant sustainable development information.

Within this context, this sustainable development report highlights the Department's social, environmental and economic performance for the 2004/05 financial year.

The Department's sustainable development framework will be developed further during the 2005/06 financial year, as detailed in the 2005/06 Statement of Intent. The successes and work carried out to date are a result of the Department's commitment to addressing all potential issues and opportunities for improvement, in conjunction with relevant stakeholders and staff, an approach the Department will carry into the 2005/06 and subsequent financial years.

Sustainable development can be defined as:

'... development that meets the needs of the present without compromising the ability of future generations to meet their own need...'31

Actions taken by the Department, like any organisation, affect or impact on the environment, the economy and on society. These impacts can be both positive and negative. The Department's sustainable development report is a means by which it can demonstrate its achievements in respect of its own internal performance.

As one of the largest government organisations, the Department maintains a larger (absolute) footprint in social, economic and environmental terms than many other entities. The challenge for the Department is to ensure that its internal operations reduce the adverse effects of that footprint as far as possible and work towards ensuring that the positive effects are emphasised both locally and nationally.

In meeting that challenge, the
Department aims to act as a role
model and benchmark for other
government organisations, with
minimum adverse impacts and
minimum cost. The Department's
methodology for sustainability reporting
continues to evolve. The standard
of reporting and the tools used will
continue to improve as measures and
targets are refined and developed,
and as stakeholder involvement is
increased.

³¹ Department of Prime Minister and Cabinet, Sustainable Development for New Zealand - Programme of Action January 2003 p6.

STRATEGY AND APPROACH

The Department's current sustainable development approach centres on the development and implementation of a customised sustainable development framework that contributes to the Department's decision making and core processes.

The Department's strategy includes the identification of relevant social, environmental and economic indicators

against which the Department's sustainable development performance can be measured on an ongoing basis.

This will create the foundation for a more social, environmental and economic organisation positioned to meet government expectations in respect of safer communities by protecting the public and reducing re-offending through people,

performance and quality, and, as a result, have the New Zealand public's trust and confidence.

The Department seeks to contribute towards achieving a sustainable New Zealand, and will promote sustainable development through eco-efficiency, environmental technologies and decision making.

DEPARTMENTAL PROFILE

In order to deliver its outputs effectively, the Department is organised into service delivery functions (the Public Prisons Service, Probation and Offender Services and Corrections Inmate Employment) and support functions (Policy Development Group, Corporate Management Group, Strategic Services Group and Finance Group). The Department's achievements in terms of strategic direction and range of outputs are set out in Part 1 and Part 2 of this annual report respectively. There is a particular focus for the groups and services to work together in a cohesive manner across the organisation to improve overall performance. For service delivery, this focus is enhanced by Regional Management Committees that are responsible for ensuring that operational management and service delivery are fully integrated.

Services

The Public Prisons Service is responsible for the safe, secure and humane containment of sentenced and remand prisoners. Sentenced prisoners are those imprisoned following conviction. Remand prisoners are those who have been charged with an offence and are being held in custody pending plea, trial or sentencing.

The Service is also responsible for managing the sentences of each sentenced prisoner, including prisoner rehabilitation and reintegration needs. The Public Prisons Service operates 20 prisons throughout the country's five

prison service regions. Each Public Prisons Service region is run by a regional manager who is accountable to the General Manager Public Prisons Service.

Probation and Offender Services incorporates the Community Probation Service, the Psychological Service and Intervention Services.

- The Community Probation Service provides information and reports to judges (to assist them when sentencing offenders) and provides information to prison management and the New Zealand Parole Board. The Service manages communitybased sentences and orders including supervision, community work, parole, home detention, and release from prison on conditions. During the year, the Service also began the management of extended supervision orders in accordance with the Parole (Extended Supervision) Amendment Act 2004. The Service contracts with community providers for community-based rehabilitative and reintegrative programmes for offenders.
- The Psychological Service provides specialist clinical treatment and assessment advice for offenders, and training and education for departmental staff and community groups. The Service provides specialist pre-assessment reports to courts and detailed psychological reports, including assessments of

- risk, to the New Zealand Parole Board. The Service undertakes research and is responsible for monitoring the integrity of assessments and programmes delivered within the Department.
- Intervention Services has been operational from 1 July 2004 and provides programmes to offenders serving prison terms and those on community-based sentences or orders. The Service manages the Department's programme delivery requirements for Straight Thinking and some criminogenic programmes, and provides training to prison and probation staff on criminogenic needs assessment tools.
 Intervention Services' facilitators work closely with staff managing sentences in other Services.

Facilities

The Department currently operates 20 Public Prisons Service institutions, including the Northland Region Corrections Facility. The Department is currently progressing the full commissioning of this facility. Management of the Auckland Central Remand Prison transferred from GEO Group Australia Pty Limited to the Public Prisons Service on 12 July 2005.

In addition, three new corrections facilities, in Auckland, Otago and Waikato, will be under construction in the 2005/06 financial year.

Construction of the Auckland Region

Women's Corrections Facility is scheduled to be completed early in the 2006/07 financial year, with commissioning of this facility to commence by the end of the second quarter. Further construction at five existing facilities will provide additional accommodation of 493 beds, including the relocation of Ohura Prison to the new unit at Tongariro/Rangipo Prison.

The Department operates six special treatment units located in prisons:

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

There are also 16 prison units with a specific focus:

- five Māori Focus Units
- five Self-care Units
- five Young Offenders Units
- one Faith-based Unit.

The Department's Community Probation Service operates from 139 locations, there are eight Psychological Service offices, and Intervention Services operates from eight locations nationwide. Service delivery locations are shown on pages 152-3

Groups

The Policy Development Group provides policy advice, strategic and trend analysis, develops correctional policy, contributes to legislative reviews and coordinates policy with other government agencies. The Group comprises the following units:

- The Strategic Analysis Unit provides analysis of forecasts and trends, manages the Department's research and evaluation work programme, and controls the Department's externally reported outcome measures.
- The Māori and Pacific Policy Unit provides strategic and operational advice designed to improve outcomes for Māori and Pacific peoples.
- The Treaty Relationships Unit works to support the development and ongoing management of the Department's Treaty relationships with Māori.
- The Strategic and Legislative Policy Unit provides advice on externally driven policy, and input on any

- legislative development impacting on the Department.
- The Operational Policy Unit is responsible for ongoing development of the Department's key operational business processes.

The Corporate Management Group provides a range of services and advice to the Department. The Group comprises the following units:

- Information and Technology is responsible for the development and ongoing implementation of the Department's information technology strategy, business critical applications and the implementation of the Department's knowledge management strategy.
- Planning, Standards and Monitoring
 is responsible for the Department's
 strategic and business planning
 and reporting processes, contract
 management with key external
 providers, provision of national
 systems, service descriptions and
 specifications for core corrections
 services, compliance monitoring, and
 international benchmarking activities.
- Corporate Support Services is responsible for the provision of project management, matrix management and reporting, administration of statutory delegations, authorisations and appointments, facilities and services delivery monitoring, victim support services, legal services and support services delivered within the Department's Head Office.

Corporate Management also provides administrative support and training services for the New Zealand Parole Board.

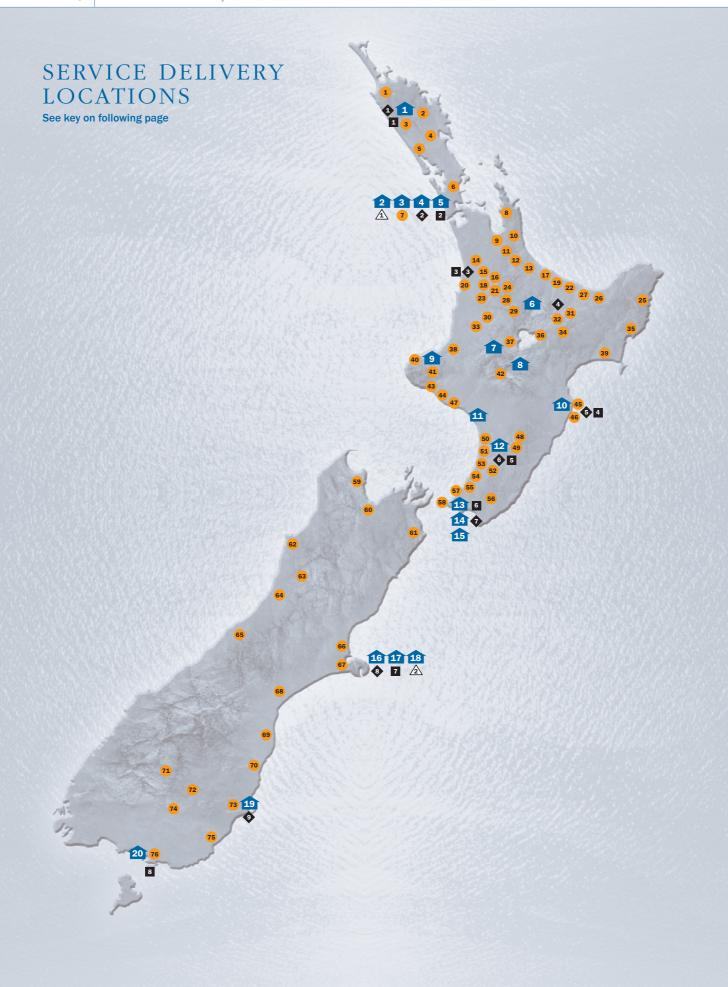
The Strategic Services Group provides specialist advice and services to assist with the management of the Department and provides assurance to the Chief Executive. The Group comprises the following units:

- Human Resources is responsible for the development of department-wide human resource management strategy.
- The Communications Unit is responsible for providing advice on communications strategy, media management, projects and publications.

- Internal Audit provides assurances
 on key statutory accountabilities and
 the operation of the Department's
 risk management framework. Its
 services include operational audits,
 security and custodial audits,
 financial audits, IT audits, special
 investigations, quality assurance and
 advisory reports. It also supports
 groups and services to implement
 risk management practices and
 robust self-review mechanisms. The
 Director Internal Audit is part of the
 Strategic Services Group but also
 reports directly to the Chief Executive.
- The Prison Inspectorate reports directly to the Chief Executive on matters that affect the fair, safe, secure and humane treatment of offenders and the maintenance of the integrity of sentences imposed by the courts.

The **Finance Group** provides a range of financial and property advice and support services to the Department. The Group comprises the following:

- Corporate Financial Services
 provides accounting and payroll
 services, the management of the
 budget process and the Department's
 interface with the Treasury.
- Corrections Inmate Employment
 manages prisoner employment in
 prisons throughout New Zealand.
 Prisoners work and receive training
 under the supervision of instructors,
 in areas such as joinery, catering,
 farming and forestry.
- Assets and Property manages the
 Department's land and buildings,
 which has a current gross book value
 of approximately \$880 million. It also
 determines the suitability of new
 sites on which to construct prison
 facilities, and the expansion of
 existing facilities. Construction
 underway to deliver additional beds
 for offenders is budgeted to be \$130
 million for the 2005/06 financial year.
- The Regional Prisons Development Project works towards the design, construction and commissioning of new facilities once prison sites are acquired. This includes the planned new prisons in Otago, Auckland and the Waikato.



KEY



PUBLIC PRISONS SERVICE

Northern Region

- Northland Region Corrections Facility*
- Auckland Prison
- Mt Eden Prison
- Mt Eden Women's Prison
- Auckland Central Remand Prison[†]

Waikato/Central Region

- Waikeria Prison
- Ohura Prison
- Tongariro/Rangipo Prison 8

Midland Region

- New Plymouth Prison Hawkes Bay Regional Prison 10
- Wanganui Prison
- 12 Manawatu Prison
- * operational in third quarter of 2004/05
- † Managed by the Public Prisons Service from 13 July 2005

Wellington Region

- 13 Rimutaka Prison 14 Arohata Women' Arohata Women's Prison
- Wellington Prison

Southern Region

- Christchurch Prison 16
- Christchurch Women's Prison
- 18 Rolleston Prison
- Dunedin Prison
- 20 Invercargill Prison

CORRECTIONS INMATE EMPLOYMENT

Corrections Inmate Employment (CIE) operates at each of the prisons.

PUBLIC PRISONS SERVICE REGIONS



PROBATION AND OFFENDER SERVICES



COMMUNITY PROBATION SERVICES

CPS sites comprise either: - Probation Offices -

- Community Work Centres

Northern Region

- Kaitaia
- Kerikeri
- Kaikohe
- Whangarei (3 sites)
- Dargaville
- Warkworth
- Auckland (24 sites)

Central Region

- Coromandel
- Thames 10 Waihi
- 11 Paeroa
- Te Aroha (2 sites)
- 13 Katikati
- 14 Huntly
- 15 Ngaruawahia
- Morrinsville (2 sites) Tauranga (2 sites) 17
- Hamilton (6 sites) Mt Manganui
- 18 19
- 20 21 Raglan Cambridge
- 22 Te Puke Te Awamutu
- 24 25 Tokoroa Ruatoria
- 26 27 Opotiki Whakatane
- Putaruru Mangakino 29
- 30 31 Otorohanga Kawerau
- Rotorua (3 sites) Te Kuiti 32 33
- 34
- Murupara Gisborne 35
- Taupo Taumarunui (3 sites)
- Waitara

- Reporting Centres - Area/Regional Offices
- 39 Wairoa
- New Plymouth Stratford 41
- 42 43
- Turangi Opunake
- 44 Hawera
- 45 Hastings
- 46 47 Napier (2 sites)
- Wanganui (2 sites) 48 Waipukurau
- 49 Dannevirke
- 50
- Fielding
 Palmerston North (2 sites) 51
- Pahiatua
- 53 Foxton 54 Levin
- 55 Otaki

Southern Region

- 56 57 Masterton Paraparaumu
- Wellington (11 sites)
- 59 Motueka
- 60 61 Nelson Blenheim (2 sites)
- 62
- Westport Reefton 63
- 64 Greymouth
- 65 Hokitika
- 66
- Rangioria Christchurch (9 sites) 67
- 68 69 Ashburton
- Timaru 70
- Oamaru (2 sites) 71 72 Queenstown
- Alexandra Dunedin (4 sites) 73
- Gore Balclutha
- 76 Invercargill

PSYCHOLOGICAL SERVICE

Northern Region

- Kaikohe Office Auckland (2 sites)
- 3 Hamilton Office
- Rotorua Office Hawkes Bay Office
- Palmerston North Office

Southern Region

- Wellington (2 sites) Christchurch (2 sites)
- Dunedin Office

COMMUNITY PROBATION SERVICE AND INTERVENTION SERVICES REGIONS



PSYCHOLOGICAL SERVICE REGIONS



Palmerston North Regional Office 5

Central Region

Northern Region

Southern Region

Kaikohe Office Auckland Regional Office

Hamilton Regional Offices (2 sites) Napier Regional Office

- Lower Hutt Regional Office Christchurch Regional Office
- Invercargill Regional Office

A REDUCING YOUTH OFFENDING PROGRAMME

This programme is run in conjunction with Child, Youth and Family

INTERVENTION SERVICES

- Auckland
- Christchurch

GOVERNANCE STRUCTURE, RELATIONSHIP ARRANGEMENTS AND MANAGEMENT SYSTEMS

In addition to the groups and services, the Department's governance structure includes a number of management teams, committees and advisory groups as follows.

Senior Management Team

The Department's Senior Management Team comprises the Chief Executive and the General Manager of each of the groups and services, including the Chief Financial Officer. The General Managers and the Chief Financial Officer provide support to the Chief Executive on matters of strategic direction, risk management, staff capability, communications, resourcing and relationship management.



Barry Matthews Chief Executive



Phil McCarthy General Manager Public Prisons Service



Katrina Casey General Manager Probation and Offender Services



Bob Calland General Manager Corporate Management



Mike Martelli General Manager Strategic Services



John Ryan Chief Financial Officer



Jane von Dadelszen General Manager Policy Development

The aim of the Senior Management Team is to:

- establish and implement the strategic business planning framework
- establish, distil and promote the organisation's values, principles, goals and objectives
- serve as the central forum for discussion of and decision on the Department's public policy issues and internal organisational policies, practices and systems
- review existing and proposed changes to output delivery and mix including consideration of the related operational practices and standards with a view to ensuring the effective accomplishment of strategic goals
- serve as an information exchange enabling members to better perform their individual roles and manage external communications issues
- provide advice and support to the Chief Executive.

Regional Management Committees

Regional Management Committees were established to support the Department's outcomes by maintaining continued attention to operational management, integration across service delivery entities, and managing relationships with local communities and stakeholders including Māori and Pacific peoples. There are three Regional Management Committees, comprising the respective regional managers of each Public Prisons Service, Community Probation Service and Psychological Service region and senior representatives from Corrections Inmate Employment and Intervention Services. The committees have four key roles:

- ensure safe, effective and culturally appropriate management of 'whole of Department' service delivery in the region
- ensure that operational management and service delivery are more integrated on the boundary and interface areas across delivery entities
- demonstrate ongoing ownership of the implementation of the Department's Māori Strategic Plan, and its key principles of responsiveness, effectiveness and partnership
- demonstrate ongoing ownership of the implementation of the Department's Pacific Strategy.

Working within the framework of the Regional Management Committees are Regional Operating Groups that support the integration of the regional approach to operational management across the Department's service delivery entities.

Assurance Board

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

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

The Board, which meets bi-monthly, maintains professional oversight of the operation of the Department's internal audit and inspectorate functions.

Formal departmental reporting on risk

management is provided to the Assurance Board, which also reviews progress in key risk areas through reports from internal audit, the inspectorate and departmental management.

The Board is chaired by the Chief Executive and includes five external members.

Chief Executive's Māori Advisory Group

The Chief Executive's Māori Advisory Group provides direct advice and feedback to the Chief Executive on strategic, policy and operational issues that affect Māori communities.

The Group is chaired by the Chief Executive and includes six external members.

The Māori Advisory Group supports the development of initiatives that meet the Department's aim to be more responsive to Māori. Its work contributes to the second theme of the Department's Strategic Business Plan, "Improving Responsiveness to Māori", and, in particular, the Department's Māori Strategic Plan.

Chief Executive's Pacific Advisory Group

The Chief Executive's Pacific Advisory Group provides direct advice and feedback to the Chief Executive on strategic, policy and operational issues that affect Pacific communities, offenders and staff.

The Group represents an important connection with the Pacific community, and assists the Department to become more responsive to Pacific peoples' needs, with a focus on reducing re-offending by Pacific offenders, within the context of the Department's Pacific Strategy.

The Group is chaired by the Chief Executive and includes five external members.

Inmate Employment Advisory Committee

The Inmate Employment Advisory
Committee advises the Chief Executive
on:

- implementation of prisoner employment policy
- external and internal operational targets and financial performance
- identification and management of risks arising from the Department's prisoner employment activities.

The Board is currently chaired by the Department's Chief Financial Officer and includes external representation, the Chief Executive and other departmental representatives.

Interagency Agreements

The Department of Corrections has in place a number of agreements with other government departments and agencies to assist with achieving its goals of protecting the public and reducing re-offending.

The purpose of these agreements is to create an environment of cooperation to facilitate a sharing of information and provide free-flowing access to the services each department and agency can provide.

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

- · Ministry of Justice
- New Zealand Police
- · Child, Youth and Family
- Ministry of Health
- Inland Revenue Department
- Department of Building and Housing
- Housing New Zealand Corporation
- Career Services
- New Zealand Parole Board
- Ministry of Social Development
- Accident Compensation Corporation
- Office of the Ombudsmen

· Department of Labour.

During the 2004/05 financial year, the Department continued to develop the framework and mechanisms to ensure strong collaborative relationships with other agencies (including government departments) at a national and local level.

Intersectoral Committees

The Department is represented on a large number of local, regional and national intersectoral committees that have been established to contribute towards achievement of one of the Government's key goals, to 'reduce inequalities in health, education, employment and housing'. The purpose of these committees is to facilitate achievement of this goal through intersectoral cooperation and participation in the wider community.

Committees on which the Department is represented throughout the country include:

- · Strengthening Families
- Safer Community Councils
- Violence Prevention Network
- Family Violence Funding Circuit Breaker
- Child Welfare Liaison
- Restorative Justice Committees
- Reducing Inequalities Officials Committee
- Reducing Youth Offending
- Regional Forensic Advisory Committee
- Regional Intersectoral Fora
- Pacific Island Capacity Building Project
- Social Equity Pacific Senior Officials Group
- Pacific Crime Reduction Strategy
 Project Advisory Group
- Inter-agency Committee on Drugs
- · National Drug Policy Steering Group.

NEW ZEALAND PAROLE BOARD

The New Zealand Parole Board is an independent statutory body established under section 108 of the Parole Act 2002 to perform various functions, primarily in relation to the release from detention of offenders serving sentences of imprisonment of more than two years and to consider offenders for home detention. The New Zealand Parole Board publishes its own annual report that can be viewed at www.paroleboard.govt.nz. The Department provides administrative, financial and secretariat services to the New Zealand Parole Board.

VICTIM NOTIFICATION SYSTEM

The Victim Notification System was set up in 1987 as a result of the Victims of Offences Act 1987. The objective of the system is to provide registered victims of certain offences with notice or advice about prisoners in prison or offenders on home detention or parole. The Victims' Rights Act 2002 has extended this to include offenders held by district health board mental health services.

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

 one of sexual violation or other serious assault; or

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

The Police receive and verify that applications fulfil the eligibility criteria. The Department records victim and offender information, on a database and sends a confirmation letter to the victim. The victim also receives a fact sheet describing the notification processes. The Department notifies registered victims of information, such

as the escape or death in custody of offenders, release to work, temporary releases and impending release dates.

The New Zealand Parole Board is responsible under the Parole Act 2002 for notifying registered victims of impending parole hearings and the victim's right to make submissions to the Board. Victims are also entitled to information about a prisoner's sentence (including any programmes they have undertaken and completed, and their security classification) to help them prepare their submission.

More information on the Victim Notification System is available on the Department's website.

PRIVATE PROVIDERS AND OUTSOURCING

Escort and Courtroom Custodial Services

During the year, Chubb New Zealand Limited carried out 32,633 prisoner escort and 8,792 court custody tasks in Northland and Auckland under a new contract with the Department, which commenced on 1 July 2004.

Auckland Central Remand Prison

The management of the Auckland Central Remand Prison transferred from GEO Group New Zealand Pty Limited to the Public Prisons Service on 12 July 2005. The standard prison population at Auckland Central Remand Prison is 277 general population prisoners and 22 special needs prisoners. The prison also has 82 beds provided for disaster recovery, used during 2004/05 to manage over forecast prisoner numbers.

Home Detention

Home detention allows eligible offenders to serve their sentences outside prison under electronic and physical surveillance, and under supervision by Probation Officers from the Community Probation Service. Chubb New Zealand Limited provides electronic monitoring and manual surveillance services to the Department relating to offenders who

are serving a home detention order throughout New Zealand under a new contract with the Department, which commenced on 1 December 2004. During the year, 1,515 offenders commenced a home detention order.

External Providers of Programmes for Offenders

The Department contracted with a number of external providers for the provision of rehabilitative, motivational, educational and reintegrative programmes during the 2004/05 financial year.

Public Prisons Service

Rehabilitative

To assist in the rehabilitation of offenders, the Public Prisons Service has entered into external contracts for the delivery of drug and alcohol and Māori therapeutic programmes. Care New Zealand has been contracted for in-house delivery of alcohol and drug treatment programmes at Waikeria and Arohata Prisons for the period through to 30 June 2005. Local Māori providers were contracted to deliver therapeutic programmes at two of the five Māori Focus Units with a further three providers to be appointed in the first quarter of 2005/06. These programmes are designed to address the key specific cultural criminogenic needs of Māori within a culturally effective context.

Motivational

The Public Prisons Service has contracted with two national providers and one regional provider for the delivery of Tikanga Māori programmes in the men's prisons for the period through to 30 June 2006. Local Māori providers were also contracted to deliver Tikanga programmes in the Young Offenders Units and in two of the female prisons. The Public Prisons Service has also introduced Christian-based programmes that are delivered in the Faith-based Unit at Rimutaka Prison by the Prison Fellowship of New Zealand.

Educational

The Public Prisons Service provides the following educational services to sentenced prisoners:

- · basic literacy and numeracy
- unit standards to attain the National Certificate in Employment Skills (NCES) qualification
- secondary education (the National Certificate in Educational Achievement (NCEA))
- English as a second language (ESOL)
- · vocational training.

The Public Prisons Service has contracted with five regional providers for the delivery of NCES for the period through to 30 June 2006. For literacy

and numeracy, secondary education and ESOL, the delivery of learning material is through a national provider, while offenders are supported through the process by locally contracted tutors. Local providers are contracted for the delivery of vocational training (computer skills and driver licences).

Reintegrative Services

The Public Prisons Service has contracted two external providers to deliver living, parenting and budgeting skills programmes throughout the prison sites. In addition, external providers have been contracted to deliver a tattoo removal programme at Auckland and Waikeria Prisons and a restorative justice programme where prisoners are encouraged to confront their offending and to restore the damage done to victims.

Providers contracted by the Department include:

- Care New Zealand alcohol and drug programmes
- Mahi Tahi Trust Tikanga Māori programmes
- MH Wananga Trust Tikanga Māori programmes
- Aotea Associated Consultants Tikanga Māori programmes
- Prison Fellowship of New Zealand
 - Faith-based Unit programme
 - restorative justice programme
- Workforce Consultants NCES
- Literacy Aotearoa NCES
- Dunedin Methodist Mission NCES
- Southland YMCA Education Limited NCES
- Literacy Training Limited
 - NCES
 - living and budgeting skills
- Correspondence School of New Zealand
 - literacy and numeracy
 - ESOL
- Relationship Services parenting skills

- Mangere Health Centre tattoo removal
- Rou Rou Consultants Māori theraputic programmes
- Te Korowai Aroha O Tupoho Māori therapeutic programmes
- Te Rapu Ora Māori theraputic programmes
- Aotea Associated Consultants Māori therapeutic programmes
- Hine Wirangi Kohe-Morgan –
 Womens Tikanga Māori programme
- Prison Chaplaincy Services, Aotearoa
 New Zealand chaplaincy services
- Arts Access Aotearoa arts programmes.

Community Probation Service

The Community Probation Service contracted with a number of providers for the provision of both residential and non-residential programmes during the 2004/05 financial year. All community-based Tikanga Māori programmes are delivered via contracts with Māori providers. Non-residential programmes purchased included domestic violence prevention, sex offender treatment, and some alcohol and drug treatment programmes. The Department continued to contract with three community residential centres for the provision of residential programmes:

- Te Ihi Tu Trust in New Plymouth, which delivers a Kaupapa Māori programme addressing issues relating to offending on an individual case management basis.
- Salisbury Street Foundation in Christchurch, which focuses on men who have a long history of offending and imprisonment.
- Montgomery House in Hamilton, which provides programmes for men who repeatedly commit serious violent offences.

In addition, the Community Probation Service contracted with providers of reintegrative support services to conduct the Te Hokinga Mai programme in Auckland and Christchurch.

New Zealand Prisoners' Aid and Rehabilitation Society (NZPARS)

NZPARS operates under a primary contract with the Department of Corrections to contribute to a reduction in re-offending by assisting offenders (and their family/whanau) to address practical problems as they reintegrate back into the community or home detention following their release from prison. Specifically, NZPARS assists

offenders to address the following reintegrative needs:

- · obtaining employment
- · managing finances
- managing relationship issues
- developing pro-social community support
- acquiring accommodation
- assisting to prevent victim-related problems

 assisting with post-release health care continuity.

In addition, the Auckland Prisoners' Aid and Rehabilitation Society has been contracted to provide a pilot scheme for supported accommodation, providing housing assistance for recently released prisoners in the Auckland area.

LEGISLATION AND POLICIES

The Department operates within a strong compliance environment, governed by legislation, regulations, contracts and delegations. Key pieces of legislation include:

- The Corrections Act 2004 (with the Corrections Regulations 2005), which was implemented on 1 June 2005 provides the legal framework for the management and operation of prisons and prisoners, and replaced the Penal Institutions Act 1954 (and the Penal Institution Regulations 2000). The Department of Corrections administers the Corrections Act. The new Act introduces reforms that reflect modern conditions and approaches to how the Department manages offenders. It is also in line with other recent criminal justice reforms. It emphasises that public safety is of central importance and that the Department has to consider victims' interests when managing offenders.
- Corrections Regulations 2005.
 Comprehensive regulations are required to give full effect to the Corrections Act 2004. While the Act contains matters of principle and a policy framework for the corrections system, the regulations provide for matters of detail and implementation. The Corrections Regulations 2005 were enacted on 7 March 2005.
 The commencement date was 1 June 2005, the same date as for the Corrections Act 2004. The new

Regulations are made pursuant to the Corrections Act and replace the Penal Institutions Regulations 2000.

- The Sentencing Act 2002 (and associated regulations) was implemented on 30 June 2002 and together with the Parole Act 2002, largely replaces the Criminal Justice Act 1985. The Department of Corrections and the Ministry of Justice jointly administer this Act.
- The Parole Act 2002 (and associated regulations) was implemented on 30 June 2002 and, together with the Sentencing Act 2002, largely replaces the Criminal Justice Act 1985. Most of the provisions relating to home detention are contained in the Parole Act. The Department of Corrections and the Ministry of Justice jointly administer this Act.

The Department's social, environmental and economic issues are governed by legal obligations and through organisational strategies and policies. The Department manages its social issues through the *Strategic Business Plan 2003–2008* and its accompanying companion strategies. In relation to social issues, the Department is regulated by many Acts, including the:

- New Zealand Bill of Rights Act 1990
- Children, Young Persons, and Their Families Act 1989
- Employment Relations Act 2000

- State Sector Act 1998
- Treaty of Waitangi Act 1975
- Victims' Rights Act 2002
- Health and Safety in Employment Act 1992.

The Department is working towards the development of a national environmental strategy, which is designed to integrate environmental management into daily operations. On environmental issues, the Department conducts business in compliance with the:

- Environment Act 1986
- Resource Management Act 1991
- Local Government Act 2002
- Ozone Layer Protection Act 1996
- Building Act 2004
- Hazardous Substances and New Organisms Act 1996
- Health Act 1956
- Biosecurity Act 1993
- Energy Efficiency and Conservation Act 2000.

The Department's financial management arrangements incorporate the economic aspects of sustainable development reporting. These aspects include accountability under the Public Finance Act 1989 and the Department's Risk Management Framework on financial and governance issues.

PUBLIC REPORTS

The following reports were produced during the year and are available from the Department of Corrections Information Centre.

- Annual Report 2003/04 An annual report for the year 2003/04 is required under the Public Finance Act 1989.
- Statement of Intent 2005/06 A statement of corporate intent for the year 2005/06 is required under the Public Finance Act 1989.
- Integrated Offender Management System Review. The independent review of the Integrated Offender Management System was carried out as part of the Department's Output Pricing Review. The objective of the review was to define the future direction of the IOMS system from 2004 through to 2012.
- New Zealand high-risk offenders: Who are they and what are the issues in their management and treatment? A year-long study into
- New Zealand's highest-risk offenders was released in July 2004. The report involved 149 prisoners from Waikeria Prison and seeks insight into offenders predicted to re-offend seriously.
- Strategy to Reduce Drug and Alcohol Use by Offenders 2005–2008. The strategy, released in September 2004, aims to reduce re-offending by reducing offender drug use in prison and post release.

PERFORMANCE INDICATORS AND GOALS

This report highlights performance against the targets and goals for sustainable development set out in the Department's 2004/05 Statement of Intent. Many of these indicators are drawn from relevant social, environmental and economic indicators included in the 2002 Global Reporting Initiative Sustainability Reporting Guidelines.

Statistics New Zealand, in its draft report Monitoring Progress Towards a Sustainable New Zealand, has proposed a range of indicators to measure sustainable development progress from a New Zealand public sector perspective. The key difference with these indicators is the identification of a separate cultural dimension distinct from the social

dimension. These indicators, however, remain at a developmental stage and it is envisaged that the Department's sustainable development framework will reflect these indicators once approved and adopted by government.



SOCIAL PERFORMANCE

The measurement of social performance is a substantial element of the Department's sustainable development framework, in light of its contribution to the justice sector outcome of safer communities by focusing on the two departmental outcomes of protecting the public and reducing re-offending.

The following broad indicators play an important role in the success of this particular core social outcome, and are referred to throughout this sustainable development report:

- the employment and retention of skilled employees
- ensuring the health and safety of employees, prisoners and visitors
- maintaining an awareness of, and catering for the diverse cultural needs, experiences and attitudes of employees, offenders, families/ whanau and community support groups
- maintaining commitment towards equal employment opportunities within the Department
- the provision of training and education programmes for employees and prisoners
- working with communities to manage the Department's impact on communities effectively.

Summary of Performance within the Social Dimension

- Health and safety programmes have delivered a reduction in the cost of workplace injuries and work-related incidents during 2004/05.
- The Public Prisons Service has delivered 22,000 tutor hours for NCES programmes.
- Over 30,000 unit standards have been completed and 3,654 externally recognised qualifications gained.
- Females represented 36 percent of all of the Department's employees.
- Community work projects involved over 2 million hours of work by offenders.
- $\bullet\,$ During the year, 3,218 formal complaints were addressed by the Prison Inspectorate.

SOCIAL INDICATORS USED IN THIS REPORT

Social Performance

The following table illustrates the categories, aspects and indicators of the social dimension included within this sustainable development report.

TABLE 15: SOCIAL PERFORMANCE INDICATORS

Category	Aspect	Indicator
Labour practices and decent work	Employment	Full-time equivalent employees by service or group
		Full-time equivalent employees by service and region
		Employee service and turnover
	Health and Safety	Health and safety committees
		Safe, secure and humane containment of prisoners
		Management of incidents
	Training and Education	Employees
		Offenders
	Diversity and Opportunity	Reducing inequalities
		Total employees by gender
		Total employees by ethnicity
		Senior management and corporate governance bodies by gender and ethnicity
		Equal employment opportunities
Human Rights	Indigenous Rights	Relationships with Māori
		Key themes
Society	Community	Departmental links with the community
		Community work projects
		Breakout escapes
		Corrections Act compliance

EMPLOYMENT



The Department's ability to manage its human resources capability and capacity is critical to the achievement of its strategies as detailed within the *Strategic Business Plan 2003–2008* and as supported by the *Human Resources Management Operational Strategy 2003–2008*. This issue is particularly relevant given the recent opening of the Northland Region Corrections Facility and the need for the Department to develop manager and staff capacity in readiness for the commissioning and opening of the new facilities under construction.

The Department continues to focus on enhancing the capacity and capability of its people. Departmental managers and staff have many strengths that have enabled the organisation's rapid progress since its establishment in 1995. These have also positioned the Department well when compared with its international benchmark corrections jurisdictions. Further investment has been made available through the Output Pricing Review to ensure that the Department continues to attract and retain the calibre of employees in all, and especially, key roles during the 2004/05 financial year. This involved:

- building management and staff capability for the future (especially in readiness for the opening of new prisons)
- addressing specific recruitment and retention issues
- providing more effective support for managers
- further developing manager competence.

The initiatives to address capability and capacity are contained within the Department's *Human Resources*

Management Operational Strategy 2003-2008 and the 2005/06 Statement of Intent. Several of these initiatives, including equal employment opportunities, reducing inequalities, enhancing the Department's responsiveness to cultural diversity, health and safety and recruitment and retention are discussed further in this report. The Department has continued to make good progress towards achieving these initiatives during the 2004/05 financial year and will continue to address the outstanding initiatives during the remaining three years of the Strategic Business Plan.

Full-time Equivalent Employees by Service and Region

Of the 5,110 full-time equivalent (FTE) employees, 4,580 were employed nationally within the Department's Services as illustrated in Figure 20 below.

FIGURE 20: FULL-TIME EQUIVALENT EMPLOYEES BY SERVICE AND REGION

PUBLIC PRISONS SERVICE AND CORRECTIONS INMATE EMPLOYMENT



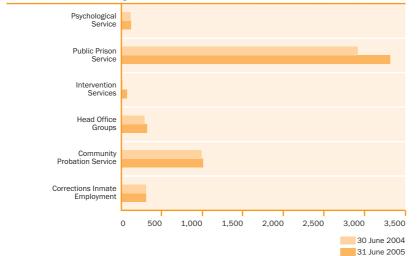
COMMUNITY PROBATION SERVICE AND INTERVENTION SERVICES



PSYCHOLOGICAL SERVICE



FIGURE 21: FULL-TIME EQUIVALENT EMPLOYEES BY SERVICE OR GROUP (thousands)



Full-time Equivalent Employees by Group or Service

The number of full-time equivalent employees (FTE) in the Department increased during the 2004/05 financial year by 500, from 4,610 to 5,110. Figure 21 illustrates the FTE employees by Service or Group.

FIGURE 22: AVERAGE LENGTH OF SERVICE (years)

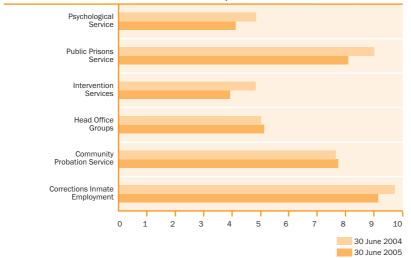
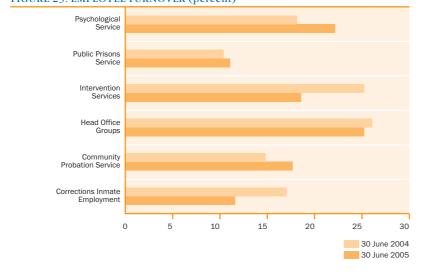


FIGURE 23: EMPLOYEE TURNOVER (percent)



Employee Service and Turnover

Figure 22 illustrates little significant movement in the average length of service across the Department's Groups and Services in the 2004/05 financial year when compared with the previous financial year.

Overall gross turnover within the Department has increased from 12.98 percent at 30 June 2004 to 13.69 percent for the year to 30 June 2005. Figure 23 demonstrates an increase in the turnover percentage within the Psychological Service and the Community Probation Service, while the decreased turnover in Corrections Inmate Employment reflects the conclusion of the restructuring within that Service. Although Intervention Services turnover appears high, the total number of staff and the actual turnover (in numbers) were very small. High turnover within Head Office groups also remains a concern.

HEALTH AND SAFETY



As part of protecting the public, the Department provides a safe, healthy and secure environment for employees, contractors, volunteers, offenders and visitors. The Department maintains compliance with health and safety legislation, occupational health and safety requirements and the requirements of the ACC Partnership Programme. The Department has continued to make improvements to its health and safety programmes and has delivered a reduction in the cost of workplace injuries and work-related incidents during the 2004/05 financial year.

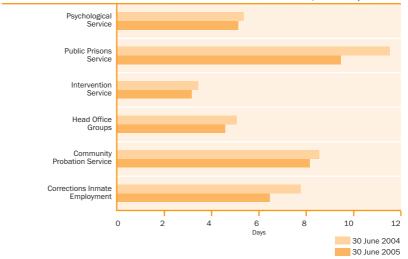
Figure 24 illustrates the number of absences from work through sickness or injury for full-time equivalent employees as at 30 June 2005 compared with the previous financial year.

Health and Safety Committees

Local health and safety committees are a requirement under departmental policy and procedures relating to hazard management, and the Department's entire workforce is covered by joint health and safety committees. The purpose of each of the health and safety committees is to:

- · identify and document hazards
- maintain a register of hazards
- prioritise hazards for the level of harm possible and the probability of harm occurring
- identify whether a hazard should be eliminated, isolated, or minimised
- identify control procedures for hazards to be isolated or minimised
- recommend actions to the relevant manager

FIGURE 24: EMPLOYEE ABSENCES THROUGH SICKNESS OR INJURY (days)



- draft and monitor hazard management plans
- provide information to staff on hazards.

The local health and safety committees consist of up to 10 people and represent the cultural and gender background of the Department. All staff are encouraged to communicate any concerns about health and safety to the relevant manager and local health and safety committee. Local health and safety committees meet regularly every six to eight weeks. They ensure that site inspections are conducted on a regular basis to identify new or existing hazards and act accordingly to eliminate, isolate or minimise each hazard. Local health and safety committees are the vehicle by which the Department's monthly health and safety newsletter and the quarterly health and safety information brochure are produced.

Listed below are the Department's health and safety achievements for the 2004/05 financial year:

- Employee Participation Scheme:
 With the exception of Public Prisons
 Service representatives who are
 currently under training, all employee
 representatives have been trained.
- SAP Health and Safety Module: The SAP Health and Safety Module was completed and data entered into the system.

- 2004 ACC Audit: The ACC audit was conducted in October 2004 and the Department met the ACC audit standards.
- Health and Safety Management Induction Module: The health and safety management manager's module consisting of a leaders' guide, work book and supporting notes was developed, piloted and rolled out.
- National Health and Safety meetings: In accordance with the national plan the Department's bi-annual meeting was held with the unions to discuss a variety of health and safety matters.
- Health and Safety Strategy 2005– 2008: Through the release of the Government's strategy Workplace Health and Safety for New Zealand to 2015, the Department has developed an operational health and safety strategy that sets the overarching direction for continuous improvement in health and safety management.

Safe, Secure and Humane Containment

The Department has a range of policies and procedures designed to ensure the safe, secure and humane containment of prisoners, including:

 The screening of all prisoners on initial reception, after transfer, or in other specified circumstances, to

- identify those prisoners that may be at risk of self-harm or suicide.
- The undertaking of segregation processes designed to minimise violent, intimidating, or criminal activities within the prison environment.
- Deterrence and detection strategies aimed at reducing illicit drug use by prisoners.
- Application of the security classification system to ensure appropriate assessment of security levels.
- Initiatives to allow infants to remain with their mothers in prison under certain circumstances and, generally, to a maximum of six months.
- Initiatives in health, including harm minimisation and communicable diseases screening, the development of a mental health screening

- tool, and the development of national standards governing all aspects of prison construction, including cell construction.
- The active management of prisoners, being the interaction between staff and prisoners in which every contact is viewed as an opportunity for positive influence. This recognises the valuable role prison staff play in managing prisoners and influencing their engagement in criminogenic programmes. It is a key tool to manage prisoners effectively and integrate sentence management and safe, secure and humane containment.

Management of Incidents

As part of providing safe, secure and humane containment, the Public Prisons Service maintains a National Incident Response Policy that identifies how incidents in prisons are dealt with to ensure that the response brings the incident to a safe and swift conclusion, minimising the risk of injury to staff and prisoners, and damage to property.

The Public Prisons Service National Incident Response Policy has clear roles and responsibilities for managing incidents. These guidelines identify the different roles, and recognise that responsibilities will vary depending on the type and seriousness of an incident. The clear statement of role and responsibility ensures that all staff understand the authority for calling up, authorising deployment and managing the incident when an incident response is required.

TRAINING AND EDUCATION



The Department of Corrections continues to attract highly skilled workers from an increasingly diverse and mobile labour market. As such, it is important for the Department to ensure that it is positioned to retain a capable workforce. In the completed Output Pricing Review, government agreed to provide additional funding for the Department to restore, retain and maintain capability. The Department has therefore been able to begin rebuilding its capability and capacity to deliver effective service.

Employees

The Department recognises the benefits arising from the development and maintenance of its human resource

capability and capacity and is committed to developing the quality and skills of its employees. Training and development achievements for employees during the 2004/05 financial year include:

- an increase in training and development for staff and managers
- an enhanced training curriculum for Probation Officers
- the graduation of future leaders through the Future Leaders Programme
- continuation of the Chief Executive's scholarships for selected employees
- completion of the Management at Corrections programme modules, including the piloting and roll out of the performance management module
- leadership assessment for managers conducted by the Leadership Development Centre.

Improvement in the Department's responsiveness to Māori and Pacific staff and offenders requires an

understanding of the relevant cultural issues, particularly at management level, and in those roles that require direct contact with Māori and Pacific offenders and their families. The Department encourages its staff to participate in a number of courses and seminars relating to cultural development, including several internal initiatives such as its Te Reo Strategy and Tikanga and language courses, and the Responsiveness to Māori module of the Management at Corrections programme. An example of the progress made during 2004/05 was the rollout of the cultural awareness course, Kia Mau, for staff within the Community Probation Service.

Staff also attended programmes through whare wananga, polytechnics and universities to develop their cultural understanding and its application to the Department's services. Staff engaged with local iwi, hapu and runanga for advice, direction and cultural supervision.

The Chief Executive's Māori Advisory and Pacific Advisory Groups provided significant input into the Department's ongoing and potential management of, and interaction with, Māori and Pacific offenders and their families. The Department also obtained advice on Pacific issues from the Ministry of Pacific Island Affairs and other Pacific organisations and support groups.

Offenders

Social benefits flow on to society through the education and upskilling of prisoners. The Department's education and training programmes provided offenders with opportunities to gain employment upon their release and to assist them with reintegration into society. This has provided a positive economic and social benefit to New

Zealand as a whole. Prisoner employment and training activities include farming, forestry, horticulture, manufacturing, construction, asset maintenance, kitchen, computer and community work activities.

Prisoners undertaking the Department's employment and training options were given opportunities to receive externally recognised qualifications within the framework of the NZQA. The Department also provided prisoners with opportunities to participate in educational training programmes. The Public Prisons Service delivers the NCES, secondary school education, and literacy and numeracy programmes to prisoners as part of their sentence plan.

The NCES is an NZQA accredited programme that develops skills for the workforce. The NCES programme is primarily provided to prisoners who are 20 years or older. Secondary education is compulsory for 16 and 17 year old prisoners and is also made available for those younger than 20 years of age. Literacy and numeracy programmes are available to all prisoners with an identified need in accordance with their sentence management assessment. In the 2004/05 financial year, the Public Prisons Service delivered approximately 22,000 tutor hours for NCES programmes, while overall offenders in prison completed over 30,000 unit standards that gained 3,654 externally recognised qualifications.

DIVERSITY AND OPPORTUNITY



The Department maintains an acute awareness of, and caters for, diverse cultural needs, experiences and attitudes with respect to employees, prisoners, offenders, family, and community and cultural support groups. This is particularly important in light of the fact that Māori and Pacific peoples continue to be disproportionately represented in the criminal justice system. The Department's contribution to the government goal of reducing inequalities is discussed further below and will be supported by trained Māori and Pacific employees, including managers. Developing the organisation's responsiveness to diverse cultures and ethnic groups means evolving the organisational ethos and building the

capability and capacity of people to enable improvements in everyday business with staff, offenders, communities and providers.

The Department recognises that, to be effective, the organisation needs to develop responsiveness to an increasingly diverse offender population, particularly in relation to Pacific peoples, women, youth and other highrisk groups. The desire, as well as requirement, to be a good employer means also targeting responsiveness to staff. A range of initiatives have been developed and implemented during the 2004/05 financial year that supports the Department's aim of being culturally responsive, they include:

- increasing the number and proportion of Pacific peoples staff and managers
- increasing the number and proportion of female staff and managers
- increasing the number and proportion of Māori staff and managers
- supporting Pacific staff networks that can utilise in-house experts on Pacific issues

- supporting Māori staff networks at national and regional level
- implementation of the Te Reo Strategy
- enhancing the role of kaiwhakamana at the Northland Region Corrections Facility
- piloting of the women's Tikanga Māori Programme in the Hawke's Bay/Gisborne and Taitokerau areas of the Community Probation Service
- implementing Cultural Supervision in the Waikato and Canterbury regions.

Reducing Inequalities

The Department of Corrections is one of 13 identified departments required to report on reducing inequalities. The Treasury has outlined the Department's annual reporting requirements for contributing to reducing inequalities. The reporting requirements apply to annual reports from 2004/05 onwards and reflect the revised changes to the reducing inequalities policy agreed by Cabinet in June 2004.

Key Goals

The Government's key goal for reducing inequalities is to:

"reduce the inequalities that currently divide our society and offer a good future for all by better coordination of strategies across sectors and by supporting and strengthening the capacity of Māori and Pacific communities. It aims to ensure that all groups in society are able to participate fully and enjoy the benefits of improved production."

This key goal reflects fundamental principles relating to social justice, a desire to reduce disadvantage and promote equality of opportunity in order to achieve a similar distribution of outcomes between groups, and a more equitable distribution of overall outcomes within society. This entails an integrated approach to managing the reducing inequalities policy to ensure that the goals and principles of reducing inequalities are a core part of key departmental activities and initiatives.

Key Outcomes

Reducing inequalities reaches across many sectors and requires coordinated action. Within the Department of Corrections, reducing inequalities means focusing on the following Government outcomes (Reducing Inequalities: Next Steps Report to Cabinet 2004):

- better health and reduced inequalities in health
- high levels of participation in education and improved educational achievement
- improved labour market participation, greater access to sustainable employment opportunities and reduced unemployment
- reduced criminal victimisation and violence
- cultural and ethnic identities are valued.

The incorporated approach to managing the reducing inequalities policy assumes that departments will consider and reflect the goals, principles, and priorities of government's reducing inequalities policy in their planning, policy development and service delivery.

Addressing re-offending by Māori and Pacific offenders is a high priority for the Department. Because Māori and Pacific peoples continue to be disproportionately represented in the criminal justice system, the Department is committed to providing quality programmes and services that are effective for Māori and Pacific peoples, from initial assessment through to intervention and release. Current departmental initiatives include:

- the Whanau Involvement Plan
- the Māori Provider Development Strategy
- Tikanga Māori Programme
- Māori Therapeutic Programme
- Tikanga Māori Women's Programme
- Specialist Māori Cultural Assessment
- · Cultural Supervision
- · Māori staffing targets
- · Te Reo Strategy
- · Kaiwhakamana Visitor Policy
- Chief Executive's Māori Advisory Group
- Saili Matagi (the Pacific Violence Prevention Programme)
- Fautua Pasefika Policy
- Chief Executive's Pacific Advisory Group
- · Pacific staffing targets
- Female employee targets
- the review of cultural competencies for frontline staff.

Consequently, as part of the alignment to reducing inequalities and the conclusions of the State Services Commission-led review, the Department's reports continue to contain, as a minimum:

- an overview of major departmental strategies that aim at, or contribute to, reducing inequalities
- explicit reducing inequalities frameworks, strategies and policies
- major programme-level interventions impacting on reducing inequalities

- major research, policy development, or other developmental activities incorporating reducing inequalities, goals and objectives
- monitoring, evaluation, or auditing activities aimed at measuring reducing inequalities outcomes directly, or programmes contributing to reducing inequalities.

A detailed report on reducing inequalities in the Department of Corrections, including expenditure, can be found on pages 182-8.

Equal Employment Opportunities

The Department of Corrections is committed to equal opportunities in all its employment policies and procedures. Equal employment opportunities (EEO) apply to all aspects of the Department's human resource policies, including recruitment, selection and appointment practices, training, performance management, career development, conditions of employment and the work environment. All departmental employees, regardless of gender, race, marital status, age, disability, sexual orientation, family status, religious or ethical beliefs, political opinion or union affiliation, have similar access to employment opportunities.

The Department's managers have primary responsibility to promote equal employment opportunities for all employees and to eliminate policies and practices that work against equity in the workplace. The Department takes a strategic approach to equal employment opportunities and policies to support its business outcomes.

The Department's 2004/05 EEO programme continued to complement other human resource initiatives that worked towards achieving a positive workplace culture and cooperative relationships between staff and management. The Department also continued work on the Disability Implementation Work Plan, which aims to progressively review all employment and staff support processes to ensure they are responsive to the needs of staff with disabilities, and in accordance with the Department's health and safety in employment strategy.

FIGURE 25: FULL-TIME EQUIVALENT EMPLOYEES BY GENDER (thousands)

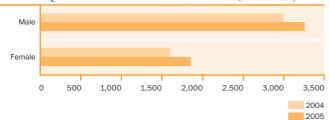
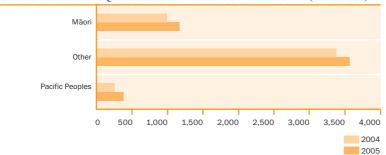


FIGURE 26: FULL-TIME EQUIVALENT EMPLOYEES BY ETHNICITY (thousands)



Pay and Employment Equity

The Department of Corrections is committed to the outcomes of the Government Pay and Employment Equity plan of action. As part of the review of remuneration systems, the Department has provided input into the Department of Labour-led initiative to develop a gender neutral job evaluation system. The State Services Commission and the Pay and Employment Equity Unit of the Department of Labour have kept the Department informed of the development of pay and employment equity processes.

Total Employees by Gender

An important part of the Department's efforts to enhance its responsiveness to diversity is to increase the number

of women within the organisation. Throughout the 2004/05 year, the Department continued to place a high priority on female recruitment to management and other key roles, particularly those interacting with female offenders. As at 30 June 2005, females represented 36 percent of all of the Department's employees, an increase on the 34 percent representation as at 30 June 2004. Figure 25 illustrates the gender split of the Department's FTE employees as at 30 June 2005 compared with the previous financial year.

Total Employees by Ethnicity

Improving its responsiveness to Māori and Pacific offenders and their families is one of the key themes within the

Department's Strategic Business Plan 2003-2008 and its companion strategies the Māori Strategic Plan and Pacific Strategy. Being responsive includes the capability to develop and deliver services that are effective and appropriate for Māori and Pacific prisoners, offenders and families. Māori and Pacific peoples represented 23 percent and 8 percent respectively of the Department's employees as at 30 June 2005. Figure 26 below illustrates the ethnic split of the Department's FTE employees as at 30 June 2005. The results indicate that ethnic representation has increased slightly when compared with the previous financial year.

Senior Management and Corporate Governance Bodies by Gender and Ethnicity

Improving the Department's responsiveness to diversity within its environment includes ensuring that Māori, Pacific peoples, and females are fairly represented within the Department's governance bodies and at management level.

The Department's governance bodies comprise the Senior Management Team, Assurance Board, Chief Executive's Māori Advisory Group, Chief Executive's Pacific Advisory Group and the Inmate Employment Advisory Committee. Representation by gender and ethnicity is an important element in determining the composition of the Department's governance bodies.

INDIGENOUS RIGHTS



Relationships with Māori

Māori are recognised by the Government as the tangata whenua o Aotearoa (indigenous people of New Zealand) and, as such, have a special status as acknowledged by the Treaty of Waitangi. In accepting the Treaty of Waitangi and the tangata whenua status of Māori, the right of the Crown to govern and the right of non-Māori to identify as New Zealanders is validated. The Department's commitment to Māori derives from the Treaty of Waitangi and is linked to the Treaty through the key government goal 'strengthen national identity and uphold the principles of the Treaty of Waitangi'.

The Department works in partnership with Māori communities and government agencies to provide corrections services that contribute to community safety and reduce re-offending, and provides these services in a way that has regard to the Treaty of Waitangi.

In 2004/05, the Department addressed the following issues in respect of its relationships with Māori:

- revised recruitment methodology to better enhance the Department's ability to attract and recruit Māori staff and managers
- continued the development and enhancement of kaiwhakamana
- piloted the women's Tikanga Māori
 Programme in the community
- implemented Cultural Supervision in Waikato and Canterbury

- implemented specialist Māori Cultural Assessments in the Auckland and Waikato regions
- participated in the Crown-Māori Relationship Instruments Review conducted by the State Services Commission
- continued to develop and support Māori staff networks
- signed a relationship agreement with Ngati Tūwharetoa
- · adopted the Māori Initiatives Pathway.

Key Themes

Building Partnerships with Māori

Partnerships with Māori communities are vital to the provision of effective and responsive services for Māori. The Department views partnerships as continually evolving relationships that balance the duties and obligations of kawanatanga and aspirations of rangatiratanga. The Department believes that establishing partnerships begins with the building of relationships with whanau, hapu, iwi and Māori communities. The Department forms relationships with Māori communities that are strategic and mutually beneficial. The nature of these relationships is focused around the aspirations of the Department and Māori for 'wellness and wellbeing'.

Currently, the Department has a partnership arrangement with the Ngati Rangi Development Society Inc in respect of the Northland Region Corrections Facility, while the Minister executed in 2004/05 a relationship agreement with the Tūwharetoa Trust Board in respect of departmental services in the Central North Island. Other agreements are under development in respect of new facilities under construction, while consolidation continues of relationships at existing facilities. The development of government policy on Crown-Māori Relationship Instruments and associated Treaty of Waitangi policy continues to inform the Department's ongoing progress in iwi and other Treaty partnership relationship arrangements.

Being Effective for Māori

The Department seeks to provide quality programmes and services that are effective, appropriate and address the diverse needs of Māori. This approach is underpinned by the principle that Māori world views and methodologies will be included in the development of services.

Being Responsive to Māori

The Department looks to build the capability and capacity of its people and processes to enable it to improve its everyday interaction with Māori offenders, communities and providers. The Department considers that being responsive requires an organisation and staff capable of developing and delivering services that are effective and appropriate for Māori. This includes:

- providing appropriate training and development for staff to be able to deliver services in a manner that respects Māori values and supports Māori processes
- increasing the involvement of Māori staff at all levels of the Department, to support Māori-to-Māori service delivery, and influence change at a management level to improve overall services for Māori
- incorporating Māori values in the Department's organisational policies, practices, processes and culture.

In this respect, in 2003, the Department adopted its Whakatinana Te Kaupapa Strategy for working with Māori service providers. The aim of the strategy is to address issues relating to the way in which the Department works with existing and potential Māori service providers.

COMMUNITY



The Department's operations, by their very nature, impact on communities within New Zealand, whether they are communities in close proximity to correction facilities, the families of offenders, ethnic groups, or the New Zealand public as a whole. Community safety is an important issue for most New Zealanders, involving police, courts and other agencies, and the Department plays a key role because it manages offenders both in prisons and those serving non-custodial sentences in the community.

The Department's risk strategy requires the sensitive management of actual risks in an effort to minimise perceived risks to the community. During 2004/05, the Department worked with both Māori and Pacific communities to assist Māori and Pacific offenders. New prisons encourage behavioural improvement, and are located so families can visit more easily.

In 2005, a survey of the community near the Otago Region Corrections Facility was commissioned to capture social indicator data. Stage one of a study has been completed and will be repeated five years after the prison opens to gauge the impact of the new facility on the local community's social environment.

Department Links with the Community

The Department continued to identify and manage its impact on communities through the successful use of liaison activities, including:

- the use of Community Probation Service Liaison Officers (Liaison Officers)
- the presence of Community Work Supervisors and Probation Officers
- the presence of Community Residential Centres
- localised site liaison functions operating in collaborative relationships with local agencies.

Liaison services are established by the Department with communities and ethnic groups and include Probation Officers selected for their liaison skills and experience. The role of a Liaison Officer is to:

- meet with social service groups and agencies to mutually exchange information
- ensure that all new information regarding social service groups and agencies is communicated to staff
- be available as a contact person to social service groups and agencies.

The Department's Senior Community Work Supervisors and Probation Officers maintain close links with the community through work projects and liaison with sponsors such as local authorities, the Department of Conservation and marae that benefit from the work undertaken. The Department also interacts with the community through Community Residential Centres, which provide offenders with a residential programme in a normalised and structured environment. The aims and objectives of Community Residential Centres

- provide residential programmes that identify and address the causes of an individual's offending
- contribute to the reintegration of offenders into the community

- foster community involvement in the provision of programmes for offenders
- contribute to reducing the rate of re-offending.

Community Residential Centres have a more formalised Probation Officer liaison arrangement that involves greater interaction with offenders and staff at the Community Residential Centre. In order to make its services known and as accessible as possible, the Department also established localised site liaison functions to operate with local agencies such as Child, Youth and Family, the New Zealand Police, Work and Income New Zealand, and local jwi/hapu.

Community Work Projects

When sentenced to community work, an offender is placed with either a Community Work Agency, Community Work Centre or both. They then undertake a variety of projects in the community until they have completed their required number of hours.

Prior to placement, all offenders are assessed as to their suitability, work skill opportunities, placement availability, and work/family commitments. Where possible, an offender's specific skills are matched with an appropriate project or agency to ensure maximum benefit to the community through the work undertaken.

During 2004/05, community work projects involved over 2 million hours of work by offenders. Table 16 provides information on a variety of community work projects undertaken during the reporting period and the positive impact they have had on offenders, project sponsors and local communities.

TABLE 16: COMMUNITY WORK PROJECTS

Location	Sponsor	Project	Benefits
Taupo	A local marae	Planting new gardens, rebuilding fences, laying cobblestones	Providing positive cultural exposure for offenders, supports local hapu in important project, offenders learn new skills on the job.
Auckland	Auckland Regional Council	Developing and maintaining Regional Parks	Over 4,500 hours work at West Coast regional parks in 2004, providing benefits to the environment, wildlife and tourism. Labour-intensive work giving offenders sense of purpose and chance to use skills.
Wellington	A suburban cemetery	Clearing overgrowth and debris	Improving accessibility of the cemetery to visitors and walkers, continuing a long association between the cemetery and Community Probation Service.
Whangaparaoa	A local food bank garden	Assisting in tending and harvesting the food bank garden	Making a meaningful contribution to the local community by helping provide food to those in need, and providing offenders with horticultural experience.
Waikanae	A local sports club	Flood relief – shovelling silt, digging mud, cleaning out sheds, fences and clubrooms	Providing much needed labour to ease a community crisis.
Napier	Local authorities	Operation Clementine, planting out hundreds of citrus trees for tenants	Health benefits to the local community from fresh fruit, reinforcing relationships with other agencies.
Timaru	A local boat club	Refurbishing dinghies loaned to novice sailors	Encouraging young sailors to get involved with sport, saving club money and time.
Stoke, Nelson	A private land owner and local authority	Eight years' work helping to develop popular walking track (Kelly's Track)	Made rare coastal lowland forest accessible to community groups for educational and recreational purposes, provided offenders with skills and sense of achievement.
Taranaki	Department of Conservation and local government	Two-year project to build wheelchair-accessible track through scenic reserve near New Plymouth	Provided valuable opportunity for people with disabilities to enjoy bush environment safely, labour-intensive work giving offenders sense of purpose and chance to use skills, such as building dry stone walls.

REPORT UNDER SECTION 190 OF THE CORRECTIONS ACT 2004



Section 190 of the Corrections Act 2004 prescribes particular issues that must be reported on in the Department's annual report. Notwithstanding the commencement date for the Act being 1 June 2005, section 190 makes it clear that the reporting requirements relate to the whole of the year to which the annual report relates. Information provided to meet the reporting requirements has therefore covered the period 1 July 2004 to 30 June 2005. These issues, and the Department's achievements, are detailed below.

Section 190(1)(a)

This section reports on how the Chief Executive has carried out his functions under section 8(1)(k), of ensuring that processes are established and maintained to identify communities significantly affected by policies and practices in the corrections system, providing opportunities for those communities to give their views on those policies and practices, and ensuring those views are taken into account, together with information on how prison managers have carried out this responsibility.

Regional managers are required by the General Manager Public Prisons Service to engage with local communities on a regular basis. The processes established to assist engagement are described in the following publications:

- Public Prisons Service manuals and guidelines
- Release of official information: Guideline for Coordination
- Consultation requirements as set by local authorities
- · Performance management system.

The major issues for the Public Prisons Service requiring consultation with community organisations included:

- the opening of new corrections facilities
- the transfer of existing facilities out of a community
- changes to existing operations and facilities.

Through staff and community networks, public meetings, hui, and the media, opportunities were made available for community involvement to identify issues that could negatively impact on a community, provide opportunities for positive contributions by a community, to pass on information regarding departmental and prison activities and to ensure that the Department complied with legislative requirements.

Section 190(1)(b)

This section reports on the work undertaken by inspectors of prisons, including statistical information about the disposition of complaints and comments on issues arising from complaints or visits.

The Prison Inspectorate was first established in 1954 under the provisions of the Penal Institutions Act of that year. The legislation established a dedicated complaints resolution, investigation and general assurance function, reporting directly to the Chief Executive independently of prison line management. The level of statutory protection afforded to the Inspector's role and reporting level was in direct recognition of the high level of risk attached to prison management and the need to provide a level of legislative protection for the Inspector's functions. That arrangement was retained upon the devolution of sentence management functions to the new Department of Corrections in 1995 and has also been reflected in the provisions of the Corrections Act 2004. The major change for the Inspectorate arising out of the 2004 legislation is the formal extension of the Inspectors' role to cover community-based sentences in addition to the traditional prison focus.

This is the first formal report prepared by the Senior Inspector for inclusion in the Department's annual report. It is early days in terms of the new community-based sentence role for the Inspectorate. This report therefore deals primarily with prison related matters.

In terms of prisoner contact and complaint volumes for the Inspectorate, 2004/05 has been a record year. Prisoners made 6,689 contacts with the Inspectors during 2004/05. While this figure includes 539 interviews conducted during routine prison visits, the bulk of prisoner contacts are now made through the Inspectors' direct 0800 telephone service for prisoners and their families. Not all prisoner contacts generate complaints. Many prisoners are simply seeking advice, information, or assurance that they have been managed appropriately. However, 3,218 formal complaints were dealt with by the Inspectors during the year. This figure is the highest since 1995, and is due primarily to the increase in the prison population over that time. High prison musters in themselves generate tensions among both staff and prisoners. These tensions are exacerbated by the need to transfer prisoners away from their home locations and from prison to prison to meet the need for available bed-space. This has a downstream effect on families, visits, property, programmes and all those things that directly affect the quality of prison life. It also draws staff away from their key supervision and case management roles.

Despite the high volume of complaints to the Inspectors, the incidence of justified complaints remains low, with only three being so defined for the year. It has been acknowledged, however, that the current definition of a justified complaint is not a satisfactory measure of prison performance. The present definition effectively excludes any complaint brought directly to an Inspector without first going through the internal prison system. The definition has been revised for the

2005/06 year to include all instances where intervention by an Inspector is necessary in order to achieve the appropriate outcome for the prisoner.

There are, however, encouraging signs that complaints to the Inspectors are beginning to reduce. The last three months of the year saw a dramatic reduction from the hitherto record figure of 371 in February 2005 to a new low of 184 in June 2005. This can be attributed in some measure to the increased effectiveness of the revised internal complaints process introduced throughout New Zealand prisons in April 2004. It is expected that this trend will continue as prisoners and staff alike gain confidence in the new system.

In addition to their role in complaints resolution, the Inspectors have undertaken 16 full investigations of significant prison incidents, including 13 deaths in custody. The Inspectors have also monitored the conduct and outcome of 51 internal prison investigations into other prisoner-related incidents and allegations.

A number of areas have been drawn to management's attention during the year, arising out of the Inspectors' complaints activity. The most significant of these are as follows:

- There is a continuing high incidence of prison property complaints. Errors in property handling are likely to remain a concern while muster pressure necessitates the current high level of prisoner movements. Many property complaints could be avoided by greater care in itemising property, and ensuring that prisoners have adequate time to check and sign for property during transfer movements. The property management systems themselves appear adequate, provided they are properly implemented.
- The complaint category that is of most concern, however, is that of staff conduct and attitude. The Inspectors received 214 complaints in this category during 2005/06.
 While the great majority were not of a serious nature, and none were found to be justified under the current

definition, the sheer incidence of these complaints is of concern. Some of this is, again, attributable to the pressures at all levels created by high musters. The nature and dynamics of prisons, however, require a constant, consistent and ongoing management presence right down at unit floor level in order to reinforce the desired behaviours. The time demands placed on today's prison managers, particularly in investigating incidents, complaints and allegations, rarely allow this ideal to be achieved.

 The Inspectorate was also able to clarify the Department's obligations in respect of providing adequate clothing for those prisoners who do not want to wear their own clothing while in prison.

The most consistent areas of concern arising out of the investigations and monitoring assignments carried out by the Inspectors during 2005/06 were in relation to:

- the supervision, observation and routine security checking of prisoners
- adequate cross-matching of information when carrying out prisoner self-harm risk assessments.

While these areas are the subject of adequate and well-proven systems, instructions and procedural requirements, the issues identified have been more about the observance in practice of these systems, and the provision of adequate management resources to ensure that the required standards are maintained. The Inspectorate has reported these issues directly to the Chief Executive and the Assurance Board.

Section 190(1)(c)(d)(e)

This section describes the processes and systems in place to supervise and control the monitoring of prisoner calls, including statistics on the proportion of prisoner calls monitored and the number and percentage of calls disclosed under section 117(1) and (2):

• to any person other than an employee of the Chief Executive

- to an employee of the Chief Executive
- number of proceedings against a person for a disciplinary offence in which a recording of any of those calls was used in evidence.

Legislative authority for the Department to monitor prisoner telephone calls is provided under sections 111 to 122 of the Corrections Act 2004. Process and systems to monitor prisoner calls were not in place in the 2004/05 financial year. Consequently, statistics required under the legislation cannot be provided. As a result of serious breaches in prison security, the Government approved additional funding in Budget 2005 to enhance prison security by introducing a system and staff to monitor prisoners' telephone calls, and collect and analyse data that contributes to increased Crime Prevention Information Capability (CPIC).

The Terms of Reference for the CPIC project have been developed and the deliverables will include:

- · developing a model of CPIC staffing
- purchasing and developing a secure database
- integrating a secure database with IOMS
- purchasing and building a telephone monitoring system
- developing a training plan for all staff.

Section 190(1)(f)

This section provides a report on measures to reduce drug and alcohol use by prisoners and the effectiveness of those measures, random-testing programmes and the results of those programmes.

The Department's progress in reducing drug and alcohol use by prisoners is reported in Part 1 (pages 34-5) and Part 2 (page 112) of this annual report.

Section 190(1)(g)

This section provides a report on the operation of every security contract in force for the whole, or any part, of the year to which the annual report relates, including:

- a summary of reports forwarded to the Chief Executive under Section 171(2) and (3)
- a summary of reports made to the Chief Executive under Section 172(2)(b)
- a summary of actions taken in relation to the operation of security contracts as a result of matters raised in any report forwarded.

The Department's contract with Chubb New Zealand Limited is for the escort and court room supervision of prisoners in the Auckland and Northland region. Chubb performance over the 2004/05 financial year was in line with contract expectations. Chubb provided the Department with monthly

reporting, outlining performance for measures such as: escapes, releases in error, prisoner deaths, prisoner injuries, complaints, staff personal grievances and disciplinary actions.

Section 190(1)(h)

This section provides a report on the operation of any contract prison, including a summary of reports by the manager of the contract prison, including:

- a summary of reports forwarded to the Chief Executive under Section 214 (2) and (3)
- a summary of reports made to the Chief Executive under Section 215(2)(b)
- a summary of actions taken in relation to the management of contract prisons as a result of matters raised in any report forwarded.

The Auckland Central Remand Prison was the first privately managed prison in New Zealand and was initially managed by Australasian Correctional Management Limited (ACM), which later became GEO Group New Zealand Pty Limited. ACM/GEO negotiated a five-year contract with the Department to manage the prison. With the passing of the Corrections Act 2004, the management of the Auckland Central Remand Prison reverted back to the Public Prisons Service on 12 July 2005, on the expiry of the contract.

GEO performance over the 2004/05 financial year was in line with contract expectations. GEO provided the Department with monthly and quarterly reports that outlined performance against set criteria for incidents, complaints, searches, disciplinary proceedings, drug testing and programme delivery.



ENVIRONMENTAL PERFORMANCE

The Department continued to develop and improve its ability to monitor its operational impact on the environment during the 2004/05 financial year. With 20 existing prisons, 139 Community Probation Service centres, eight Psychological Service offices, 5,110 FTE staff, 6,961 prisoners and 11,800 hectares of land under the Department's management, relevant environmental issues including waste management, energy and water efficiency, land and stock management and river and stream protection were assessed to ensure adherence to environmental best practice.

Environmental best practice was also adopted in the assessment and selection of new prison sites and in detailed environmental impact reports. The reports provided the Department with an assessment of the potential impact of the new corrections facilities on relevant environmental matters, such as site ecology and air and water quality.

The Department's operations have been guided by the Environmental Risk Analysis conducted during the 2003/04 financial year. The impending implementation of an Environmental Management System has enabled the Department to measure and audit environmental performance. An agreement with the Energy Efficiency and Conservation Authority assisted the Department in determining appropriate energy efficiency targets and initiatives, which are detailed in the 2005/06 Statement of Intent.

National Environmental Strategy

The Department continued to progress in 2004/05 the development of its National Environmental Strategy, which will guide the Department's policy with respect to its environmental performance, particularly in:

 identifying areas requiring improved environmental management and performance

- developing and prioritising a portfolio of key initiatives aimed at improving the Department's environmental management and performance
- guiding the development of the Department's Environmental Management System, including site environmental development plans, environmental policies and standards
- integrating the Environmental Management System with existing strategies and programmes that will assist the Department in improving its environmental management and performance.

Environmental Management System

The Environmental Management System enables the Department to plan, implement, monitor and review its environmental performance in a manner that is consistent with recognised national and international environmental standards. The system was also developed in order that environmental values and sound environmental practices could be integrated into the Department's core business processes and day-to-day management.

The Department has carried out a range of environmental management activities to protect valuable resources

on leased and owned property, and has also enhanced capability and achieved cost savings. Waste management, energy and water efficiency, land and stock management, coastal marine, river and stream protection issues are constantly assessed to ensure adherence to environmental best practice.

The Environmental Management System is based on ISO standard 14001 and provides the following benefits:

- ensuring sustainable use of prison facilities
- · legal compliance
- reduced business and environmental risks and liabilities
- reduced costs through standardising management processes
- economical use of resources
- demonstrating due diligence in managing environmental risk
- positive recognition and support from the Government and the community
- demonstration of commitment to effective environmental management.

Summary of Performance within the Environmental Dimension

- Twenty new solar heating systems were installed in self-care units in early 2005.
- Infrastructure design/supply criteria has reduced water use from 650 to 450 litres per prisoner per day.
- The Department's overall CO₂ emissions were reduced by 25 percent.
- Over 300 check meters (water, electricity and gas) have been installed in prisons.
- Renewable energy sources have provided an additional 3 percent of total energy use.
- Undertook a formal commitment to the Ministry for the Environment's Govt³ programme.
- Received a Leadership in Operational Sustainability award.

ENVIRONMENTAL INDICATORS USED IN THIS REPORT

Environmental Performance

Table 17 illustrates the categories, aspects and indicators of the Environmental Dimension included within this Sustainable Development Report.

TABLE 17: ENVIRONMENTAL PERFORMANCE INDICATORS

Category	Aspect	Indicator
Environmental	Energy	Energy sources used
		Renewable energy sources
	Water	Total water usage
		Water recycling and reuse
	Emissions, Effluents and Waste	Total amount of waste by type and destination
		Water sources and habitats affected by discharges
	Biodiversity	Environmental best practice

Leadership in Operational Sustainability Award

In August 2005, the Department was presented with a Leadership in Operational Sustainability award by the Ministry for the Environment. Over a period of several years a variety of wide-ranging sustainability measures were instituted by the Department as part of its energy strategy that focused on:

- minimising CO2 emissions
- development and maintenance of an energy database with a monitoring and targeting system
- development of a customised training programme in energy management for property managers.

As a consequence of the above, energy use per prisoner in corrections facilities decreased by 8.5 percent between 2002 and 2005, and CO_2 emissions decreased by 33 percent. A new solar water heating initiative has commenced, which is a joint venture with the Energy Efliciency and Conservation Authority. Additionally, the Department undertook:

- a formal commitment to the Ministry for the Environment's Govt³ programme
- energy and environment audits on all its sites
- piloted waste audit at key sites
- incorporated sustainable development and life cycle costings into the Department's Asset Management and Maintenance Planning Strategy.

Department of Corrections and the Govt³ Programme

Govt³ is a programme for agencies to improve the sustainability of their activities. Govt3 aims to work with agencies to give practical effect to the Government's sustainability policies, such as the Sustainable Development Programme of Action, the National **Energy Efficiency and Conservation** Strategy, the Climate Change Programme and the New Zealand Waste Strategy. Govt³ is led by the Ministry for the Environment's Sustainable Industry Group, in partnership with the Energy Efficiency and Conservation Authority, the Ministry of Economic Development and the State Services Commission, and other agencies as appropriate.

The Department adopted sustainable development and environmental improvement programmes in order to help reduce financial and environmental impacts over the medium to long-term, particularly in respect of waste, water, energy and building design. As a result of internal audits, reviews and monitoring systems, the Department has established a strong position with respect to its sustainability.

Physical changes continue as a result of new systems and initiatives. Energy

savings have been made, water saving initiatives have been introduced, legal compliance has improved and waste is being reduced, reused, recovered, recycled and disposed of in a legally compliant manner.

In formalising a commitment to the Govt³ programme, the Department will add value to its operations because:

- the Govt³ programme provides the Department with a means to demonstrate its progress
- participation in the programme highlights the Department's commitment to the Sustainable Development Programme of Action 2003 and the implementation of government policy
- the Department will be able to access resources provided by the Govt³ programme
- the Department will be able to benchmark its management and performance against other government departments and agencies.

ENERGY CONSUMPTION



The Department continued working towards achieving the targets highlighted in its five-year Energy Management Strategy approved in December 2002, which includes the permanent reduction of energy consumption by 15 percent by 2008. Further energy-related targets will be progressed within the context of the Department's National Environmental Strategy and managed under the Environmental Management System.

Energy-related Achievements

The following were energy-related achievements during the 2004/05 financial year:

- direct energy use did not increase while prisoner numbers increased by 6 percent
- energy use/intensity fell by 6 percent per prisoner between 2004 and 2005
- the Department's overall CO₂ emissions were reduced from 19,384 tonnes in 2003/04 to 15,420 tonnes in 2004/05, a reduction of 25 percent

- CO₂ production (tonnes) fell by 33 percent per prisoner between 2004 and 2005
- Head Office electricity/intensity reduced by 26 percent per square metre between 2002 and 2005.

Energy Sources Used and Renewable Energy Sources

The Department monitors the sources and quantity of energy that it uses, and continues to improve its ability to provide such monitoring. The Department also considered the viability of more environmentally efficient energy sources within its operations, including solar power. Reducing energy use and utilising renewable energy sources is the most cost effective means to reduce greenhouse gas emissions. A list of the energy sources used during the 2004/05 financial year is included in table 18 below.

TABLE 18: ENERGY USE

	2003/04	2004/05
	kWh (energy units)	kWh (energy units)
Public Prisons		
Electricity	28,558,290	29,097,450
Gas	31,876,491	39,131,627
LPG	-	1,162,595
Oil	11,896,945	11,503,555
Coal	11,296,323	2,369,825
Wood (renewable)	2,400,000	2,600,000
Solar (hot water)	36,612	36,612
Head Office		
Electricity	1,120,017	1,153,945
Probation and Offender Services		
Electricity	3,037,188	2,861,099
Total	90,221,866	89,916,708

WATER CONSUMPTION



The Department's approach to water management included consideration of:

- the most environmentally friendly sources of water
- the efficient use of water within its facilities and farming operations by identifying areas of unnecessarily high water usage
- environmentally efficient ways to manage water discharged from its facilities and farming operations.

Water-related Achievements

The following were water-related achievements during the 2004/05 financial year:

- installed over 300 check meters to ensure end-users are aware of water consumption levels
- · developed water use databases
- adopted water conservation measures with design and construction teams
- used native plants and trees that required less water and maintenance
- recycled rain water for irrigation purposes
- monitored water discharges under consents.

Water Usage and Water Recycling and Reuse

The Department has developed a system by which it can reliably determine the amount of water used within its operations. The system enables the Department to identify areas where savings can be made through the use of the recycling or reuse of water. The Department has also explored options to collect greywater and storm-water for re-use in its

farming operations through irrigation.

Table 19 indicates the total water used by the Department for 2004/05.

TABLE 19: WATER USAGE

	2004/05
m ³ per annum	1,188,075
litres/prisoner/day	512

Note: no data is available for 2003/04, because check meters were being installed in that year.

EMISSIONS, EFFLUENTS AND WASTE



The Department's approach to emissions, effluents and waste included consideration of:

- the assessment of CO² emissions
- the incorporation of solar hot water systems
- the incorporation of centralised recycling
- the incorporation of three-way recycling bins

- the relocation of stock during wet seasons to minimise effluent run-off into water sources
- using catchment areas near water sources for forestry rather than farming to minimise stock effluent run-off.

Total Waste by Type and Destination

A recent waste audit at two of the larger facilities has provided the Department with the categories and volumes of waste produced. This data will be used to design and implement national waste minimisation initiatives. The analysis will also assist the Department in 2005/06 and subsequent financial years to identify areas for improvement with respect to the extent of non-recyclable waste and waste that is disposed of at landfill sites. Refrigerants

located in compressors/chillers have been replaced with ozone-friendly products by 'No Loss' certified contractors.

Water Sources and Habitats Affected by Discharges

The Department treated all waste-water and storm-water in accordance with discharge consent requirements imposed by relevant regional councils. Interception traps were used in storm-water systems to collect accidental discharges of chemicals, fuels and other hazardous substances to minimise the risk of discharges to local water sources and habitats. The Department is conscious of the potential harmful affects to water sources and habitats close to its facilities, and draws upon water

source and habitat information provided in environmental impact reports, including those prepared when considering new facilities.

Table 20 illustrates the ${\rm CO_2}$ emissions (tonnes) produced by the Department during the financial year.

TABLE 20: CO₂ EMISSIONS 2004/05

Location	2003/04	2004/05	Reduction (%)
Public Prisons	19,384	15,714	3,670 (18.9)
Head Office	181	173	8 (4.4)
Probation and Offender Offices	490	429	61 (12.4)
Total	20,055	16,316	3,739 (18.6)

BIODIVERSITY



New Zealand's native biodiversity is unique, born of long isolation as small islands in a vast ocean. The high percentage of endemic species (those found nowhere else in the world) make New Zealand's native biodiversity both special and highly vulnerable.

Environmental Best Practice

The Department of Corrections utilised environmental best practice during the assessment and selection of new prison sites and the commissioning of detailed environmental impact reports. The reports provided the Department with an assessment of the potential impact of new corrections facilities on relevant environmental matters such as site ecology and air and water quality. The Department's approach to biodiversity included consideration of:

 where there was a risk to ecosystems and habitats of products used in daily operations reaching such areas, then biodegradable options are specified

- where there is a potential for more than minor effect, then construction zones are provided with sediment run-off catchment ponds
- avoiding development in or adjacent to protected and sensitive areas, the designation process robustly addresses any potential conflicts to ensure that effects are less than minor.



ECONOMIC PERFORMANCE

The Department's sustainable development framework will enable it to measure and report on the economic impact of, and economic issues arising from, its operations, as opposed to solely reporting its financial performance.

Personnel and operational expenditure remain the principal economic contribution made by the Department to communities that are local to its facilities or where its staff reside.

Work completed for the Regional Prisons Development Project and the findings of economic impact reports have assisted the Department to better understand the economic impacts of corrections facilities on communities local to existing and proposed facilities.

Summary of Performance Within the Economic Dimension

- In 2004/05, \$265.6 million was expended on personnel and a further \$169.4 million on operating costs, including facilities maintenance, offender management and administering the Department's resources.
- Economic impact reports conclude that positive economic effects will flow to communities hosting corrections facilities and staff residences.
- Retirement and long service leave for 2004/05 decreased due to a change in the discount rates of employee entitlements.

ECONOMIC INDICATORS USED IN THIS REPORT

Economic Performance

Table 21 illustrates the categories, aspects and indicators of the economic dimension included within this sustainable development report.

TABLE 21: ECONOMIC PERFORMANCE INDICATORS

Category	Aspect	Indicator
Direct economic impacts	Providers of Capital	Statement of Movement in Taxpayers' Funds
	Expenditures	Service performance – output class statements
	Suppliers	Personnel and operational expenditure
Public sector	Revenue	Statement of Financial Performance
Indirect economic impacts	Externalities Associated with Services Creating Impacts on Communities	Economic benefits of proposed facilities

Key Financial Performance

Table 22 references the key financial performance within the economic dimension of this sustainable development report for the 2004/05 financial year to the Department's financial statements in Part 2 of this annual report.

TABLE 22: KEY FINANCIAL PERFORMANCE INDICATORS

	Annual report page reference
Statement of Movement in Taxpayers' Funds	Page 71
Revenue by Source	Page 70 — Statement of Financial Performance
	Page 73 — Statement of Cash Flows
Service Performance — Output Class Statements	Pages 87-144

Total Output Expenditure

The economic impact of the Department's activities principally arises from the management of its physical and human resources including prison facilities, offices, land and staff. Total output expenditure of \$537.7 million was incurred in the 2004/05 financial year in order to manage the Department's resources and offenders. Operational and personnel expenditure (\$169.4 million and \$265.6 million respectively) included salaries and wages, facilities maintenance, offender management and administering the Department's resources.

The expenditure also benefited local businesses and communities through prison demand for goods and services and the resulting increase in employment opportunities as businesses sought to satisfy this demand. The Department received capital approvals to spend \$728 million for the construction of corrections facilities at Otago, Waikato, Auckland and Northland, and for deferred maintenance and prison security.

Economic Benefits of Proposed Facilities

Analysis performed for the Regional Prisons Development Project assisted the Department to determine the location of proposed facilities and, consequently, the communities that have benefited economically from its activities. Independent economic impact reports commissioned on proposed facilities have concluded that a positive economic effect will flow to communities hosting corrections facilities and staff residences.

These positive impacts will occur principally as a result of direct and indirect employment, general expenditure incurred by staff in communities local to the facility, and the purchase of goods and services by prison facilities.



REDUCING INEQUALITIES

The Government's key goal of Reducing Inequalities is defined as:

"Reducing the inequalities that currently divide our society and offer a good future for all by better coordination of strategies across sectors and by supporting and strengthening the capacity of Maōri and Pacific communities. It aims to ensure that all groups in society are able to participate fully and enjoy the benefits of improved production."

This key goal reflects fundamental principles relating to social justice, a desire to reduce disadvantage and promote equality of opportunity in order to achieve a similar distribution of outcomes between groups, and a more equitable distribution of overall outcomes within society. This entails an integrated approach to managing the reducing inequalities policy to ensure that the goals and principles are a core part of key departmental activities and initiatives.

Addressing re-offending by Māori and Pacific offenders is a high priority for the Department. Because Māori and Pacific

peoples continue to be disproportionately represented in the criminal justice system, the Department is committed to providing quality programmes and services that are effective for Māori and Pacific peoples from initial assessment through to intervention and release.

External Drivers

Māori are over represented in the corrections system, particularly in the high-risk category. Māori prisoners make up 51 percent of the total prison population, while making up 14.5 percent of the general population. Of the Māori prison population 65 percent are

categorised as high risk, and of the non-Māori prison population, 43 percent are categorised as high risk. Similarly, recidivism rates for Māori are significantly higher compared with non-Māori. The table below demonstrates the re-imprisoned and reconvicted rates for a 24-month follow-up period for offenders released from a prison-based sentence, or who started a community-based sentence, during the period 1 April 2002 to 31 March 2003.

TABLE 23: RECIDIVISM RATES - MĀORI/NON-MĀORI

Within 2 years of release from <i>prison-based</i> sentences			
Ethnicity	Re-imprisoned %	Reconvicted %	
All	37.2	55.4	
Māori	41.6	61.1	
European	34.6	51.7	

Within 2 years of starting a community-based sentence		
Ethnicity	Re-imprisoned %	Reconvicted %
All	11.7	40.2
Māori	14.2	45.6
European	10.1	37.7

The Department's response is encapsulated in its kaupapa statement; *Kotahi anō te kaupapa; ko te oranga o te iwi* (There is only one purpose (to our work); it is the wellness and wellbeing of the people). To give effect to this vision, the Department has a *Māori Strategic Plan 2003–2008*, which outlines work in progress under three key themes of building partnerships with Māori, being effective for Māori and being responsive to Māori.

The Department is also committed to providing quality programmes and services that are effective for Pacific peoples. The recently approved *Pacific Strategy 2005–2008* expresses this desire in the guiding statement adopted by the Department: namely, *My strength does not come from me alone but from many.*

Addressing Specific Needs

The Department's offender management processes reflect best practice principles for reducing the risk of reoffending. This entails matching the needs of higher-risk offenders with interventions that contribute to effective and successful treatment and reintegration outcomes. Recent studies, including the evaluation of the Te Piriti Special Treatment Unit, the Montgomery House Violence Prevention Programme, and the Department's own recidivism and treatment outcome data, confirm that being aware of the culture of offenders is critical to achieving reductions in re-offending.

Department's Focus

The Department's focus is encapsulated within the following key themes of its Strategic Business Plan 2003–2008:

- Theme 1: Ensuring Effective Offender Management
- Theme 2: Improving Responsiveness to Māori
- Theme 3: Contributing to Reducing Re-Offending
- Theme 4: Enhancing Capability and Capacity.

All of the initiatives under Theme 2, and specific strategies under Theme 3 and Theme 4, have been identified as contributing to reducing inequalities.

Theme 2: Improving Responsiveness to Māori

Māori are recognised by the Government as the tangata whenua o Aotearoa (indigenous people of New Zealand) and, as such, have a special status. In accepting the tangata whenua status of Māori, the right of the Crown to govern and the right of non-Māori to identify as New Zealanders is validated. The Department's commitment to Māori is linked to the key government goals of Reducing Inequalities, Strengthening National Identity and Upholding the Principles of the Treaty of Waitangi.

The Department works in partnership with Māori communities and government agencies to provide corrections services that contribute to community safety and reducing re-offending. The Department provides these services in a way that has regard to the Treaty of Waitangi.

The Department has identified the importance of addressing the needs of Māori offenders effectively. The strategies and initiatives below assist in improving the effectiveness of the Department's range of services.

The Māori Strategic Plan 2003-2008

The purpose of the Māori Strategic Plan 2003-2008 is to align the expectations of Māori communities with the Department to improve the Department's outcomes for Māori. It outlines opportunities to build relationships and strengthen communications between the Department and Māori, and provides guidance to services, and identifies priorities that are most likely to be effective in reducing re-offending by Māori. It consolidates initiatives that the Department has developed over time and introduces new initiatives yet to be developed.

The *Māori Strategic Plan 2003–2008* is implemented though the Department's annual business cycle. Decision making at senior management level determines which initiatives from the plan will be implemented each year. These initiatives are included in the Department's Statement of Intent under outputs agreed with the Minister

of Corrections. Implementation of the plan is included in performance agreements between the Chief Executive and general managers and then translated into the Department's annual work programme.

Framework for Reducing Māori Offending (FReMO)

FReMO is an analytical tool designed to guide the development of policy, interventions and research and is intended to encourage departmental staff, providers and consultants to consider Māori issues to ensure that the Department contributes to reducing Māori re-offending. FReMO acknowledges that most initiatives that have had a focus or influence upon Māori have not factored in the Māori perspective, the enhancement of Tikanga Māori, or a critical analysis of mainstream literature as being crucial to successful outcomes. Rather than assuming workers in the area will automatically consider these, FReMO provides a step-by-step process that highlights each of them.

The Māori Initiatives Pathway

The Department recognises that using Māori world views as a vehicle in which to promote positive changes in offenders can work, either on its own, or when used in combination with Western psychology, and with appropriate support. Developed in 2004/05, the Māori Initiatives Pathway is a general reference tool that provides access to the Department's range of Māori assessments, interventions, policies, and support systems, for both offenders and staff. The Māori Initiatives Pathway shows where each initiative fits within the Department's Offender Management Process, and provides access to further information on each respective initiative.

Management of Iwi Relationship Development

Separate Memoranda of Partnerships have been signed with Ngati Rangi in relation to the Northland Region Corrections Facility, Ngati Tüwharetoa with respect to Tongariro/Rangipo Prison and Puukaki ki te Aakitai for the Auckland Region Women's Corrections Facility in South Auckland. The Department continues to engage with

Kaitiaki in the construction and commissioning phases for facilities, including Ngati Naho, in relation to the Spring Hill Corrections Facility and Te Runanga O Otakau in relation to the Otago Region Corrections Facility. These relationships are intended to extend into the ongoing operations of these facilities as they come into service. The development of government policy on Crown–Māori Relationship Instruments and associated Treaty of Waitangi policy has informed ongoing development of iwi-level partnership arrangements.

Whanau Liaison Worker

The Whanau Liaison Worker position focuses on assisting the wellbeing, rehabilitation and effective reintegration of prisoners in Māori Focus Units and at the Northland Region Corrections Facility, through liaison with community agencies, whanau, hapu and iwi. The role of Whanau Liaison Worker was developed in consultation with the Psychological Service in late 2004.

Whanau Liaison Workers ensure that gains achieved by offenders while participating in programmes such as a Māori Therapeutic Programme are continually reinforced upon release. Consequently, Whanau Liaison Workers play a critical role in establishing links between a prisoner, their whanau. hapu, iwi, and the local Māori community to reinforce the positive changes achieved by an offender while in prison. Case Officers are responsible for referring offenders to the Whanau Liaison Worker service. Whanau Liaison Workers work directly with an offender's whanau by putting in place strategies to resolve or manage identified reintegrative issues.

During 2004/05, the role of the Whanau Liaison Worker was consolidated by:

- implementing the following targeting regime in order of priority:
 - Māori Focus Unit prisoners scheduled to undertake a Māori Therapeutic Programme
 - prisoners who have been imprisoned for more than five years

- those who present with whanaurelated offences; that is, the victim is a whanau member
- aligning the service closer to sentence management procedures
- better coordination between Sentence Planners, Case Officers and Whanau Liaison Workers
- establishing relevant criteria and support for the Whanau Liaison Worker role

Whanau Liaison Workers are specialists currently employed by the Psychological Service, although the positions will transfer to the Public Prisons Service during 2005. A total of 257 prisoners may be referred to Whanau Liaison Workers per year.

Community Residential Centres

Community Residential Centres provide a residential programme in a normalised and structured environment. The objective is to resettle offenders back into the community through offering rehabilitation programmes and reintegrative services that will reduce the likelihood of further offending. There are three centres currently in operation nationwide: Montgomery House in Hamilton, Te Ihi Tu in New Plymouth and Salisbury Street in Christchurch. Te Ih Tu and Montgomery House offer a programme that incorporates Tikanga Māori-based concepts. Community Residential Centres are for high-risk offenders released from prison on parole, temporary release or ordered to serve a community-based sentence.

Whakatinana Te Kaupapa Strategy

The Whakatinana Te Kaupapa Strategy provides direction on how to improve the way the Department works with Māori providers. The Department of Corrections' Māori Strategic Plan 2003–2008 provides the priority areas for engaging with Māori providers. Those most relevant to Whakatinana Te Kaupapa are:

- integration of Māori world views in programmes and services, and involving Māori in service delivery
- development of strong and meaningful partnerships with Māori communities

• building the responsiveness of the Department.

The objectives of the strategy are to improve the effectiveness of the Department's services to Māori and to enhance Māori participation in the delivery of services. To date, there have been no reviews of the Whakatinana Te Kaupapa Strategy because it is still too early to assess its effectiveness and implementation. A review of the Whakatinana Te Kaupapa Strategy will be conducted in 2006/07.

Tikanga Māori Programmes

Tikanga Māori programmes are motivational programmes designed to develop a sense of awareness and responsibility for an offender's behaviour and its impact on themselves, their whanau, hapu, and iwi. Working on the regeneration of Māori identity and Māori practices, Tikanga Māori programmes equip participants with a willingness and motivation to address their rehabilitation focusing specifically on their offending behaviour. A recent addition to the core suite of programmes is the Tikanga Māori programme for women. The Community Probation Service successfully piloted the Women's Tikanga Māori programme in the Hawke's Bay/Gisborne and Tai Tokerau areas. In 2004/05, the Public Prisons Service delivered Tikanga Māori programmes to 824 men and 17 women. In Probation and Offender Services, 238 men and 49 women completed a Tikanga Māori programme during the year.

Māori Therapeutic Programmes

Māori therapeutic programmes are criminogenic programmes that integrate cognitive behavioural therapy and tikanga Māori concepts to facilitate change in the offending behaviour of Māori offenders. Māori therapeutic programmes build on tikanga as a means of increasing responsivity and address a range of criminogenic needs. The programmes are available at the Department's five Māori Focus Units and at the Northland Region Corrections Facility.

Bicultural Therapy Model

The Psychological Service provides specialist clinical assessments and treatment services to offenders. The Service also develops and delivers rehabilitative programmes for three special treatment units: two for male sex offenders who have offended against children, and one for violent offenders. The referral process includes Māori serving either a prison or community-based sentence seeing a psychologist where, together, they discuss therapy goals and outcomes, and options available for Māori under the Bicultural Therapy Model. This can include working with a Psychologist, working with a Psychologist and a Māori service provider, or working solely with a Māori service provider. The Bicultural Therapy Model is available nationwide, and works in cooperation with iwi and local Māori service providers who provided a total of 3,897 hours of consultation in 2004/05.

Te Piriti Special Treatment Programme

Te Piriti is a special treatment unit aimed at providing a treatment programme for male sex offenders in order to reduce sexual re-offending against children. Key findings from an evaluation of the programme found that:

- The Te Piriti programme was
 effective in reducing sexual
 reconviction for Māori and non-Māori
 men. The Te Piriti programme had
 a 5.47 percent recidivism rate
 compared with an untreated group
 who had a sexual recidivism rate
 of 21 percent.
- Māori men attending the Te Piriti treatment programme revealed significant change pre- and posttherapy in a number of key cultural variables, including knowledge of whakapapa, mate Māori (sickness)/ makutu (curse), Māori traditional values and beliefs, knowledge of marae protocols and cultural skills.
- The use of tikanga in combination with cognitive behavioural therapy appears to be an effective treatment programme for Māori and non-Māori offenders convicted of sexual offences against children.

The total number of hours available for prisoners to attend a programme at Te Piriti is 12,500.

Specialist Māori Cultural Assessment

A Specialist Māori Cultural Assessment is intended to address responsivity and motivational barriers of high-risk Māori offenders. The interview-based assessment is undertaken by a Māori assessor. Referrals are made to the assessor by a Probation and Offender Services or Public Prisons Service contact person. Specialist Māori Cultural Assessment enhances generic assessment processes by recommending appropriate cultural interventions. An assessment report is then sent to the appropriate Probation Officer or Sentence Planner. Specialist Māori Cultural Assessments are currently available within the Probation Offender Services and Public Prisons Service in the Auckland and Waikato regions.

Māori Focus Units

Māori Focus Units are intended as rehabilitative interventions, aimed at reducing an offender's risk of re-offending. The units function as therapeutic environments where all participants (staff and prisoners) work together to promote learning and application of the principles of tikanga to thoughts, beliefs and actions, and seek to positively influence each other towards the goal of a responsible and pro-social life in the community. There are five Māori Focus Units based within the Public Prisons Service. They are located within Waikeria, Tongariro/ Rangipo, Rimutaka, Wanganui and Hawke's Bay prisons.

Kaiwhakamana

The Kaiwhakamana Visitor Policy is a voluntary support role giving kaumātua (elders) greater access to Māori prisoners. Kaumātua have access to prisons so they can support Māori prisoners. This may include:

- advising and assisting prisoners with whanau relationships
- helping prisoners return to the community with the support of their iwi/hapu/whanau
- · providing suggestions and advice to

the Minister and the Department of Corrections on the provision of services to Māori.

Kaiwhakamana are available nationwide within the Public Prisons Service and have access to any prison in the country during normal visiting hours. They may also visit at any reasonable time outside these hours by arrangement with prison management, for example, during tangihanga (bereavements).

Kia Mau Staff Training

Kia Mau is a nationwide, three-stage cultural awareness training programme intended to increase the knowledge, understanding, and skills of Probation Offender Services staff to enable them to work more effectively with Māori offenders. Recently implemented, Kia Mau training is founded on the belief that understanding departmental responsiveness strategies, Tikanga Māori practices and Te Reo Māori, will lead to improved and enhanced working relationships with Māori offenders, their whanau and local communities. Kia Mau is delivered by internal trainers and will be delivered in the Probation Offender Services regions or areas, depending on the geographical spread of participants.

Cultural Supervision

Cultural Supervision is a forum for Māori and non-Māori Corrections staff to reflect on and enhance their interactions with Māori offenders, assisted by the cultural knowledge and expertise of a Cultural Supervisor. Cultural Supervision is delivered once a month in a group environment. The Supervisor facilitates discussions about Māori cultural issues, and promotes the sharing of knowledge, experiences, and ideas in the group, as well as providing expert cultural knowledge to the group. Individual discussions are also available with the Supervisor. Cultural Supervision is currently available in the Canterbury and Waikato regions. Staff eligible for Cultural Supervision include Probation Officers, Sentence Planners, and Psychologists.

Chief Executive's Māori Advisory Group
The Chief Executive's Māori Advisory
Group provides direct advice and

feedback to the Chief Executive on strategic, policy and operational issues that affect Māori communities. Initiatives consulted on in the 2004/05 year included:

- · Māori Interventions Pathway
- · Māori name for the Department
- · cultural practices
- resourcing the Northland Region Corrections Facility.

Te Reo Strategy

The Te Reo Strategy is a four-year strategy to support and encourage staff in developing their Māori language skills to enhance the Department's effectiveness when working with Māori – iwi, hapu, and whanau, in community groups, service providers, other agencies, and with Māori offenders. The strategy contains a department-wide action plan to ensure an appropriate environment exists to support staff in the development of Te Reo Māori. Initiatives completed in 2004/05 include development of:

- · Te Reo support tools for staff
- Te Reo resources on intranet
- guidelines on appropriate greetings for use by reception staff
- investigation into the development of an appropriate Māori name for the Department.

Theme 3: Contributing to Reducing Re-Offending

One of the outcomes for the Department, and therefore a theme area, is to contribute towards an overall reduction in the level of re-offending. The following range of strategies and initiatives work to address the risks of re-offending and are designed to assist offenders to address their offending behaviours and return successfully to the community.

Pacific Strategy 2005-2008

The recently approved *Pacific Strategy* 2005–2008 complements the Department's *Strategic Business Plan* 2003–2008. It is a stand-alone document designed to focus and direct its activities and efforts to areas most likely to produce positive outcomes for Pacific peoples in New Zealand. A new

guiding statement, policy statement, and key themes have been developed to enable the Department to target resources effectively across a mix of current and new initiatives over the next three years.

Saili Matagi Pacific Violence Prevention Programme

The purpose of the Saili Matagi programme is to reduce re-offending by adult Pacific male offenders who are currently serving a sentence for offences of a violent and serious nature. The objectives of Saili Matagi are identified as:

- assisting high-risk Pacific offenders to identify and change their beliefs, attitudes and behaviours that have resulted in violent offending
- enhancing Pacific offenders' responsiveness to other programmes targeting criminal behaviour (criminogenic programmes)
- ultimately reducing intergenerational violence and the likelihood of re-offending.

The programme incorporates Western treatment components with Pacific cultural values, beliefs, and concepts that are familiar to Pacific offenders. An evaluation of Saili Matagi found that participants benefited from the content and delivery of the programme. Anecdotal evidence also found that some prison staff identified a positive 'immediate behavioural change' in participants during and after the programme. Implementation of the Saili Matagi programme was sound, because good working relationships were established between facilitators and prison staff.

Framework for Evaluation of Pacific Interventions

The recent development of a Pacific evaluation framework is intended to ensure, as new Pacific services are designed and implemented, that robust data is available to guide the evolving improvement of those services. The framework consists of the following four phases:

 evaluation of the need for the programme, its design, and its fit with organisational priorities

- evaluation of programme processes and implementation
- evaluation of the programme's impact and outcomes
- evaluation of the programme's costs and efficiency.

The framework is intended to ensure that funded Pacific-focused services will, from the first day of operation, generate data that promotes both programme integrity, that is, services delivered are closely aligned to service design and intentions, and ongoing programme improvement.

Fautua Pasefika

The Fautua Pasefika Policy, an initiative of the Department's Pacific Strategy, enables Pacific community leader's greater and easier access to prisons and Pacific prisoners. Fautua Pasefika support and advise on a range of issues including:

- addressing the cultural or other special needs of a prisoner
- providing spiritual or religious guidance or instruction to a prisoner
- advocating on behalf of Pacific communities to the Minister and Department staff on best practice and cultural issues that will attend to the wellbeing of prisoners.

Fautua Pasefika as Specified Visitors to Prisons has been implemented and is now part of the Public Prisons Service policy and procedure.

Samoan Recruitment Initiative

During the year the Department worked with the New Zealand Immigration Service to recruit new corrections officers from Samoa as part of the overall recruitment campaign. Recruitment activity in Samoa resulted in 56 new recruits starting in the first half of 2005.

Theme 4: Enhancing Capability and Capacity

To achieve themes 2 and 3, the Department requires increased capability and capacity. Initiatives under this theme focus on ensuring the Department has in place the right resources, people, support systems, and infrastructure.

Chief Executive's Pacific Advisory Group

This group provides direct advice and feedback to the Chief Executive on strategic, policy, and operational issues that affect Pacific communities. Issues consulted on in the 2004/05 year included:

- proposed Pacific Focus Unit at the Spring Hill Corrections Facility
- · Fautua Pasefika
- Pacific Community Liaison Officers
- Pacific Peoples Regional Corrections Liaison Committee
- development of the Pacific Strategy 2005–2008.

Pacific Community Advisory Groups

The Department continues to liaise with the Pacific Peoples Regional Corrections Liaison Committee as a main avenue for Pacific communities to contribute to the development of the new facilities in South Auckland and Waikato. The group comprises representatives from throughout the Pacific community. The issues the group provided advice on during 2004/05 included:

- design of the Pacific Focus Unit proposed at the Spring Hill Corrections Facility
- consultation processes with Pacific communities in Auckland
- commissioning issues including operational and management issues relating to the new regional facilities
- aspirations of Pacific communities in Auckland regarding the new regional facilities.

Pacific Community Liaison Officers

During the 2004/05 financial year, the Department formally established two Pacific Community Liaison Officers within the Public Prisons Service for the Auckland and Waikato regions respectively. The initiative has been established to support community participation in addressing Pacific re-offending by:

- enhancing the Department's responsiveness to Pacific communities
- fully informing Pacific communities about the Department's work

 developing initiatives that specifically target the needs of Pacific offenders.

State Services Commission-led Ministerial Review: Race versus Needs

Race relations received increased attention over the past year. The Department came under intense scrutiny in 2004 over the amounts paid to Māori individuals and organisations during the process of consultation over the establishment of new corrections facilities in Northland, South Auckland and Waikato.

The degree to which the Department's policies are unduly advantaging or disadvantaging Māori remains a contentious issue. The Government instituted a range of responses, including a comprehensive review of government policy. The aim of the review was to ensure that, where ethnicity was a factor in the development of policy and the delivery of services, those policy and services had a sound basis in need.

The Department's policies and programmes subject to the review were:

- · Māori culture-related needs
- Specialist Māori Cultural Assessment
- Māori Therapeutic Programme
- Saili Matagi Pacific Violence Prevention Programme
- Māori Focus Units
- Tikanga Māori Programme
- Whanau Involvement Plan
- Te Ihi Tu.

The Department cooperated fully with the review process and reviewed a range of departmental policies and services where ethnicity was a factor. Following the State Services Commission-led review, Cabinet noted and agreed, amongst other things, that the Tikanga Māori and cultural approach undertaken by the Department in these programmes are appropriate and that, upon evaluation, the Department considers using the Whanau Involvement Plan as a blueprint to supporting greater involvement of non-Māori offenders' families throughout the corrections system. The plan is to

be progressed during 2005/06 in accordance with the initiatives outlined in the Department's 2005/06 Statement of Intent.

The Department has a well-developed rationale for the development and delivery of services to offenders based on risk, need and responsivity. Māori (and to a lesser extent Pacific peoples) are a demonstrably high-need population for the Department, based on their over-representation in the criminal justice system. The Department's ethnically oriented programmes have been carefully tailored to meet the needs of Māori and Pacific peoples while still working within the Department's overall approach to offender management.

2004/05 Expenditure on Reducing Inequalities

For the year ended 30 June 2005, the Department delivered a range of outputs to government for the management and rehabilitation of offenders at an actual operating cost of \$605.6 million. Of this amount, \$21.2 million was specifically targeted to assist with reducing re-offending by Māori. Details were as follows:

- Māori Focus Units costing \$17.0 million, of which \$16.4 million was for custody and \$0.6 million for programmes
- Bicultural Therapy Model costing \$0.3 million
- Māori policy work costing \$1.4 million
- Tikanga Māori Programme costing \$1.8 million
- Whanau Liaison Service costing \$0.5 million
- other Māori programmes costing \$0.2 million

The outputs delivered to Government that were not new initiatives specifically targeted at reducing reoffending by Māori cost \$584.4 million. Of this amount, \$284.6 million was attributable to Māori, as they comprise 48.7 percent of the offender population. Of the Māori offender population approximately 94 percent are male. A further \$52.6 million was attributable to

Pacific peoples as they comprise 9.0 percent of the offender population.

All of the above costs are calculated on a GST-inclusive "fully absorbed" basis in that they include both direct and overhead costs in accordance with the Public Finance Act 1989. These financial figures are not comparable with prior years as changes have been made to the Department's cost allocation policy in the 2004/05

APPENDIX

LIST OF ACRONYMS

ACC Accident Compensation Corporation

ACRP Auckland Central Remand Prison

CIE Corrections Inmate Employment

CMRI Crown-Māori Relationship Instruments
CPIC Crime Prevention Information Capability

CPS Community Probation Service

DOC Department of Conservation

EEO Equal Employment Opportunities

ESOL English for Speakers of Other Languages **FReMo** Framework for Reducing Māori Offending

FTE Full-time equivalent

HR Human Resources

IOMS Integrated Offender Management System

IT Information technology

NCEA National Certificate of Educational Achievement

NCES National Certificate in Employment Skills

NZPARS New Zealand Prisoners' Aid and Rehabilitation Society

NZQA New Zealand Qualifications Authority

OSH Occupational Safety and Health

PECCS Prisoner Escort and Courtroom Custodial Services

PFNZ Prisoner Fellowship of New Zealand

PPS Public Prisons Service
PS Psychological Service
RI Recidivism Index

RQ Rehabilitation Quotient
SBP Strategic Business Plan

TERMS AND DEFINITIONS

Benchmarking Using a standard point of reference to compare departmental efficiency,

effectiveness and quality with other jurisdictions that have similar governance and

correctional practices.

Bicultural Therapy Model A model of therapy involving Māori tohunga (a spiritual expert or healer) working

alongside Department psychologists to treat offenders.

Breakout escapeAn escape from a secured prison area that breaches a physical barrier. This definition

includes an escape where a prisoner has breached security measures provided the prisoner has physically left the area contained by the outermost perimeter fence, or if there is no such fence, prison buildings, police cell, vehicle or court complex or

other place of custodial control, or from an officer escort anywhere.

Community-based orderAn order of parole, release on conditions, home detention or extended supervision.

Community-based sentence A sentence of supervision or community work.

Community Residential CentreAn approved residential centre that operates programmes for offenders designed to

identify and address the cause or causes of, or factors contributing to, their offending.

Community work A community-based sentence that requires offenders to do unpaid work in the

community.

Criminogenic needsThe factors (thoughts, emotions and behaviour) that are associated with offending

and re-offending.

Criminogenic programmes Programmes designed to address the range of factors that are associated with

offending behaviours.

Custodial sentence A sentence of imprisonment.

EQUIP A treatment programme provided in specialist youth units for young people with anti-

social behavioural problems. The programme aims to achieve positive life

outcomes for anti-social youth sentenced to prison.

Extended supervision orders Orders that allow the monitoring of some high-risk child-sex offenders for up to 10

years after their sentence or order finishes.

Fautua Pasefika This term describes a Pacific community leader with responsibility to provide advice

and guidance.

Home detention A community-based order that allows offenders to serve part of their prison sentence

at home or at an approved place of residence. Offenders live at home under electronic surveillance and receive intensive supervision by a Probation Officer.

Indeterminate sentence A sentence that does not have an expiry date, that is, currently life sentences and

preventive detention.

Internal service self-sufficiency Kitchen, laundry and cleaning work carried out as prisoner employment activities.

Kaitiaki Kaitiaki are the group most closely associated to the land on which new corrections

facilities are being built.

Kaiwhakamana The kaiwhakamana visitor policy is a voluntary role giving kaumātua (elders) greater

access to Māori prisoners so they can support Māori prisoners with rehabilitation

and reintegration in returning to the community.

Kia Marama Special therapeutic unit at Rolleston Prison in Canterbury that delivers group-based

treatment within a therapeutic environment for male prisoners with convictions for

sexual offences against children.

Land-based activities Farming, forestry and horticulture carried out as prisoner employment activities.

Making Our Drivers Safer (MODS) A community-based programme for serious and high-risk driving offenders,

specifically targeted at those who compulsively drive while disqualified and those

who drive under the influence of drugs and/or alcohol.

Manufacturing activities Manufacturing activities, such as construction and asset maintenance, carried out

as prisoner employment activities.

Māori Focus Unit A unit within a prison, which provides an environment and programmes that meet

the specific psychological needs of Māori offenders, including preparation for their release. Māori focus units are constituted on tikanga Māori principles and operate

within a tikanga Māori environment.

Māori therapeutic programmes Specialist programmes substantively developed from a Māori perspective. They

address offending-related needs.

M-PRO The M-PRO (or mixed programme) is one of a suite of 100-hour generic programmes

aimed at dealing with offenders' needs.

New start An offender starting a community-based sentence.

New Zealand Parole Board The New Zealand Parole Board was established under the Parole Act 2002, and

considers offenders for parole once they have reached their parole eligibility date. The Board is also responsible for considering applications for home detention.

Non-return from temporary release Where a prisoner does not return to prison at the appointed time.

NZPARS New Zealand Prisoners' Aid and Rehabilitation Society.

Other escapes Other escapes are defined as 'walk-aways' and 'escapes while under escort' (other

than court-related).

Parole An offender is released by the New Zealand Parole Board from a term of imprisonment

and is subject to standard conditions of monitoring by a Probation Officer and may

be subject to special conditions of a reintegrative or rehabilitative type.

Preventive detention An indefinite term of at least 10 years that may be imposed when an offender is

convicted for certain sexual or violent offences. The offender must be 21 years of

age or over.

Pua Wananga Focal point for the delivery of programmes and interventions at the Northland

Region Corrections Facility.

Recidivism Index An index, which quantifies the rate of re-offending of a specified group of offenders

over a defined follow-up period (currently 12 and 24 months), following release from $\,$

Measures the effectiveness of rehabilitative and other interventions in reducing

a custodial sentence or commencement of a community-based sentence.

re-offending.

Rehabilitation Quotient

Reintegrative services Programmes that are targeted at offenders and their families/whanau to assist

offenders to reintegrate effectively back into the community and workforce on release from prison. These include programmes that address areas such as family

functioning, social attitudes and life skills.

Reintegrative support services Community-based services that aim to increase wellbeing and self-reliance of

offenders and their families/whanau by providing intensive integrated family/whanau support for offenders returning to the community to parent children. This

service is provided in Auckland and Christchurch.

Release on conditions Post-release conditions for offenders sentenced to a short term of imprisonment

with conditions set by a sentencing judge.

Release-to-work programmes An initiative that allows prisoners nearing their release date, and who meet certain

eligibility criteria, to be temporarily released during the day to work.

Remand prisoner An offender who has been charged with an offence and is being held in custody

pending plea, trial or sentencing.

Responsivity/motivational programmes Programmes that aim to enhance an offender's ability to participate in interventions.

These programmes may target offenders' willingness to participate, learning style, culture, level of literacy and/or drug and alcohol status. These programmes include

Straight Thinking and Tikanga Māori.

Saili Matagi Violence Prevention

Programme

Saili Matagi is a programme for Pacific men serving sentences for violent offences and is aimed at assisting these prisoners to identify and change the violent

attitudes and behaviours that resulted in their violent offending.

Straight Thinking The Straight Thinking Programme is a 70-hour, group-based programme. The aim of

the programme is to develop interpersonal skills in self-control, problem solving,

social perspective taking and critical reasoning.

Structured Individual Programme

The 30-hour Structured Individual Programme is a criminogenic programme

designed to target offenders with defined criminogenic needs who are not able to

attend a group-based criminogenic programme.

Structured Day Structured Day is the means for promoting the constructive use of 90 percent of a

prisoner's unlocked time in order to maximise the efficient organisation of custodial

management requirements and activities.

Supervision A community-based sentence requiring regular reporting to a Probation Officer, and

possibly also including attendance at an appropriate programme dealing with the

cause of offending.

Sustainable development aspectsThe general types of information that are related to a specific category (that is,

energy, employment, health and safety, and indigenous rights).

Sustainable development categories The broad areas, or groupings, of economic, environmental, or social issues of

concern to stakeholders (that is, labour practices, human rights and direct

economic impacts).

Te Hokinga Mai A service for high-risk prisoners who are going to undertake a parenting role on

release from prison.

Te Piriti Special therapeutic unit at Auckland Prison that delivers group-based treatment

within a therapeutic environment for male prisoners with convictions for sexual

offences against children.

Tuakana/teina Model Mentoring relationships between older and younger youth.

Tikanga Māori Māori customs.

Values

PROFESSIONALISM

- Managers and staff interacting with offenders in a professional manner
- Working together, being responsive to others and enhancing relationships, both internally and externally
- Being an employer of choice that values professionalism, continues to invest in staff and managers, encourages them to take pride in their work and values the contribution that they make

RESPONSIVENESS

- Enabling and ensuring that individuals take personal responsibility for their actions
- Innovation in service performance excellence

INTEGRITY

• Fairness, acting with impartiality and integrity, with respect for the rights and the rule of law at all times

DIVERSITY

• Being an organisation that values diversity and treats all people with respect

EFFECTIVENESS AND EFFICIENCY

- Being effective in improving outcomes for Māori and Pacific peoples
- Effectively contributing to Protecting the Public and to Reducing Re-offending
- Delivering an efficient integrated service to the public and offenders with transparency and accountability.



DEPARTMENT OF CORRECTIONS' STRATEGIC DIRECTION

Ensuring effective offender management
Improving responsiveness to Māori
Contributing to reducing re-offending
Enhancing capability and capacity