



## Part 3

Factors Affecting or Contributing to  
Achievements in 2005/06





## 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 not unique to the Department, and most of these factors impact on the justice sector as a whole.

*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 November 2005 prison population forecast and the Department of Corrections' November 2003 census of prisoners and home detainees.*

### **Environmental Factors and Trends Impacting on the Justice Sector**

#### **Demographic Trends**

New Zealand's population has increased steadily in the last decade, from 3.7 million in 1996 to 4.1 million as at 31 March 2006. It is expected to reach 4.5 million by 2021, with highest rates of growth among Asian, Māori and Pacific peoples. The rising population has led to increased demands for services from justice sector agencies and this will continue. Because significant population growth is occurring, in particular in the upper North Island, it also affects where services need to be located.

Overall, the population is ageing and this will, in the long term, result in a reduction in the proportion of young people and affect the level and nature of demand on the sector. In the short term, however, the child and youth population will not reduce significantly (and high growth is projected in the number of young Māori and Pacific peoples), and this suggests a sustained level of ongoing demand to which the sector will need to respond.

Over the past 20 years, New Zealand has had an increasing number of migrants, many from countries where English is not the first language. This

has implications for the sector, such as the need for interpreters for those who cannot speak English.

Family structures are changing with more single parents and 'blended' families. Changing patterns in family formation, dissolution and reconstruction can create instability for some families and/or require different policy and service delivery responses.

#### **Justice Issues and Crime Trends**

New Zealand is signatory to a range of multilateral agreements, and accepts the mandate of international agencies to monitor or regulate security, health, human rights and other issues. This means that international law has an increased impact on domestic law-making and interpretation, and on reporting obligations.

The globalisation of trade and closer trans-Tasman economic links, facilitated by electronic commerce, means it is particularly important for the legal system to be able to provide effective cross-border law enforcement and redress.

These matters are critical for advancing the Government's priority of economic transformation.

Sophisticated forms of communication technology – such as the Internet – and their increasing availability, mean that crimes like trans-national terrorism, fraud, organised crime and money laundering can be committed faster, with a greater degree of anonymity and of uncertain jurisdiction and enforcement response.

A growing international enforcement effort will be required to combat such crime. As well as posing a challenge,

the new communication technologies may be used to improve and facilitate detection of offences and enhance public access to court processes.

#### **Particular Challenges for the Justice Sector**

Over the last decade, the justice sector has experienced significant growth in throughput and demand for services, with major implications for its core infrastructure.

The sector is facing a range of pressures: buildings such as courthouses, police stations and prisons are ageing or inadequate in capacity. Government has allocated significant investment to address these issues which includes the building of four new prisons and additional capacity and the upgrading of the infrastructure at most existing prison sites. There are however, ongoing cost pressures, for example, renegotiation of employee agreements, and rising construction costs that the sector will need to manage.

Prison population and re-offending trends are major issues. New Zealand has a higher rate of imprisonment per capita than in comparable countries (such as Canada and Australia). For example, in 2005/06, New Zealand's rate of imprisonment per 100,000 of population was 172, while Australia's was 126. Around 8,000 prisoners are released from prison each year; over half of these are likely to be reconvicted within two years.

An important initiative which took place this year, the Effective Interventions working party, reported to Government with proposals in mid-2006. The Effective Interventions stocktake identified some of the reasons that lie

behind these issues and the high social and fiscal costs associated with them.

While there has been a recorded fall in reported crime, prosecution rates have increased and the most serious offenders are now receiving longer sentences. A further key driver of the extended services has been a series of legislative changes in the last five years. These have had flow-on effects in terms of the increasing number of people in the prison system, the full impact of which has still to be felt.

The Government has recently approved a number of non-custodial alternatives to prison as a sentence, to mitigate the broader cost to society of increased rates of incarceration. Alongside these will be a continued focus on a range of early intervention and crime prevention initiatives that target key areas of concern such as youth offending.

Abuse of drugs and alcohol are also factors in the offending of a substantial proportion of offenders, and there is a particular concern about the increased use of methamphetamine and associated offending. Organised crime remains a key issue to be addressed by the sector, particularly in relation to drug-related offending. Tackling crimes where drugs and alcohol feature will require a multi-agency approach. The Department is also committed to expanding its rehabilitation services to substance-dependent offenders.

The Government is putting significant investment into safe communities, a core dimension of its priority of Families – young and old, through the provision of an additional 1,250 police resources (1,000 sworn and 250 non-sworn) to be recruited over the next three years. The sector is working together to ensure that this commitment is implemented and supported and that flow-on effects for other parts of the sector are managed.

#### **Environment, Issues and Implications More Specific to the Department**

##### **General Trends in Crime of Particular Importance to the Department**

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 directly 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, suggested stable levels of crime in the community.<sup>1</sup>

The total number of crimes, across all categories crime recorded by the Police for the year ending 31 December 2005, was 0.3 percent higher than the previous 12 months, (2004) which recorded 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. A further small increase occurred last year, which means that numbers of these types of offences are being maintained at relatively high levels.

Police crime resolution rates have also steadily increased in recent years. While Police crime statistics for 2005 show relatively stable rates of recorded crime, over the past decade there has been a steady improvement in resolution rates for reported offences (43.3% in 2005, up from 32.9% in 1992/93). In turn, prosecutions for offences have increased, and 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 change is also a factor in differences in overall crime rates.

#### **Services Provided by the Department**

##### **Growing Prison Population**

As noted above, the Department currently operates in an environment where a range of legislative changes over the last five years 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 three years have seen a sharp increase. As noted above, in 2005, New Zealand's rate of imprisonment per 100,000 of population was 172, and by mid 2006, this had risen to 185 per 100,000 of population, more than 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 such as Canada and Australia.

The 2005 Ministry of Justice prison population forecast indicates that ongoing growth in prisoner numbers is likely, with a continuing increase over the next four and a half years taking the prison population of 7,605 as at 30 June 2006 to 8,685 by June 2010, an increase of over 14 percent.

For much of the past three years the prison population has exceeded forecast levels. Nationally, the increased number of prisoners has at times also exceeded the number of beds available in prisons. Prisoners have been accommodated through the use of the Department's disaster recovery capacity, double bunking in some accommodation and the temporary use of police and court cells.

<sup>1</sup> The next survey of crime victims is currently underway and will be published later in 2006.

# RISK MANAGEMENT

Risk management is an integral component of the Department's operations and 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, which is being achieved through the ongoing consideration of risk in all levels throughout the organisation. The Department's risk management framework is based on the Australian/New Zealand standard AS/NZ 4360:1999 Risk Management, and has recently been updated by AS/NZ 4360:2004.

The risk management framework is overseen by the Department's Assurance Board, which comprises the Chief Executive and five 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 operational services and the operation of an internal control framework.

## Departmental Risks and Uncertainties

A major risk facing the Department in 2005/06 was the continuing pressure for prisoner beds, which has at times exceeded the Department's 95 percent maximum operational capacity across almost all of its correctional facilities. The risk around bed capacity was effectively mitigated during the period with the full commissioning of the first regional prison (Northland Region Corrections Facility), the completion on time of the second regional prison (Auckland Region Women's Corrections Facility) in May 2006, through the

construction of additional capacity at existing sites, and through agreement to increase prisoner numbers at existing facilities.

The remaining two new prisons under the Regional Prisons Development Programme are currently scheduled for completion on time in 2007. However, there is still pressure on bed availability and continuing mitigation of this risk will be dependent on the effectiveness of reducing the imprisonment rate through initiatives such as the multi-agency Effective Interventions project.

Rehabilitative interventions remain a cornerstone of the Department's strategy for delivering on the core outcome of 'reducing reoffending'. The 2005/06 year saw the Department review and replace the Straight Thinking programme with the 120-150 and 300 hour criminogenic programmes. Other specific rehabilitative strategies under development include programmes for women's criminogenic needs, high-risk sex offenders and very high-risk psychopathic offenders. In addition, the Department is focusing on reintegrative strategies including those promoting employment initiatives such as release-to-work through the *Prisoner Employment Strategy 2006–2009* released in May 2006.

The 2005/06 year also saw the successful completion of the transition of the Auckland Central Remand Prison (ACRP) from private management to the Department, the implementation of comprehensive mitigation strategies surrounding the Avian Flu pandemic and significant progress on the 2006 collective employment agreements bargaining round. The Department's strategies have been effective in

reducing the overall risk assessment of these threats.

Ensuring effective management of offenders and maintaining public confidence that the corrections system are managed effectively are fundamental objectives of the Department that are managed through the implementation and ongoing refinement of appropriate departmental policies and practices.

## Risk to Achieving Outcomes

The management of risk 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. Identification and management of risk is an integral part of the strategic framework. Each of the risk areas outlined below is linked to departmental outcomes. These links are best illustrated when the implications of failure in the mitigating strategies are identified against each risk. Being aware of the mitigating strategies and their implications is key to the Department's 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. The following table identifies the most significant risk areas related to key initiatives and describes mitigating strategies in place to ensure the risks do not eventuate.

### Risk Management Strategies

The following risk areas were included in the 2005/06 *Statement of Intent*:

TABLE 7: RISK MANAGEMENT – STATEMENT OF INTENT

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
Regional Prisons Development Project	Ongoing project monitoring and assurance activities are in place. Effective project governance management, monitoring and reporting activities are in place
Performance requirements for Corrections Inmate Employment	Ongoing monitoring and review of prisoner employment activities are in place, eg. release-to-work initiative
Sufficient staff capability and capacity to deliver effective offender management	Resources have been dedicated to: <ul style="list-style-type: none"> <li>• training and development of staff, and monitoring achievement of standards</li> <li>• recruitment campaigns</li> </ul>
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	ACRP integration project successfully completed. Ongoing monitoring to ensure effective integration within the Department's financial and operational policy
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 maintains appropriate communications and media-management policies
Recruitment and retention of staff	The Department has implemented a major recruitment campaign both domestically (and internationally for PPS staff) and a working party has completed a review of recruitment and retention issues



The following were not included in the 2005/06 *Statement of Intent* but were identified as additional risk areas during 2005/06.

**TABLE 8: RISK MANAGEMENT – POST-STATEMENT OF INTENT**

<b>Risk Area</b>	<b>Mitigating Strategies</b>
Maintenance of physical security at prison sites	The Department is improving its reporting mechanisms for physical security issues and is ensuring appropriate resourcing for facility design has improved
2006 Collective Employment Agreements Bargaining Round	The Department successfully concluded collective bargaining on most collective Employment Agreements and has therefore mitigated the risks associated with failure to reach agreements and the potential for industrial action
Asian bird influenza pandemic	Contingency planning is being undertaken in accordance with the government-wide approach. See below
Capacity to manage the most disordered high and complex needs of offenders who are a danger to themselves or others, who are not eligible for compulsory treatment under the Mental Health (Compulsory Assessment and Treatment) Act 1992 and the Intellectual Disability (Compulsory Care and Rehabilitation) Act 2003	The Department has implemented a project to develop guidelines on how to manage prisoners with high and complex behaviour needs. The guidelines will provide the first step in the identification, notification and management process of high-risk offenders

### **Pandemic Planning**

The Department's approach to pandemic planning is consistent with the direction and guidance provided by the Ministry of Health, as lead agency for pandemic planning across the government sector.

During the 2005/06 financial year, the Department was an active participant in the key government planning groups, in particular the Intersectoral Pandemic Group and its associated sub-group, the Law and Order and Emergency Services Workgroup. Work was undertaken, in conjunction with other government agencies, on addressing key strategic issues, including progressing legislative reform, and developing human resources and communications strategies.

The Department has developed detailed operational plans across its Groups and Services, for responding during a pandemic emergency. Emphasis has been placed upon addressing the needs of the Public Prisons Service, Probation and Offender Services and Corrections Inmate Employment, as these Groups and Services will have to continue operating to as near full capacity as possible over the duration of a pandemic.

The Department has purchased sufficient personal protection equipment to protect its staff during a pandemic, and has had discussions with the Ministry of Health over ensuring the provision of anti-viral medication from the National Reserve for all contact staff.

## CAPABILITY

To achieve successful delivery of outputs and make the appropriate contribution to departmental and shared outcomes, the Department must ensure proper development of its people and infrastructure. Investment in improved capability must be appropriately prioritised and underpinned by clear linkages to results.

### Contribution to State Sector Goals

As both part of the justice sector and an individual government department, the Department contributes to the overarching goal and six supporting development goals designed by the State Services Commission to improve the overall performance of the State Services to ensure the system can meet the needs of New Zealanders, whilst serving the government of the day.

The overall goal for the State Services is: *A system of world class professional State Services serving the government of the day and meeting the needs of New Zealanders.*

The six State Sector development goals are:

<b>Goal 1: EMPLOYER OF CHOICE</b>	Ensure the State Services is an employer of choice attractive to high achievers with a commitment to service
<b>Goal 2: EXCELLENT STATE SERVANTS</b>	Develop a strong culture of constant learning in the pursuit of excellence
<b>Goal 3: NETWORKED STATE SERVICES</b>	Use technology to transform the provision of services for New Zealanders
<b>Goal 4: COORDINATED STATE AGENCIES</b>	Ensure the total contribution of government agencies is greater than the sum of its parts
<b>Goal 5: ACCESSIBLE STATE SERVICES</b>	Enhance access, responsiveness and effectiveness, and improve New Zealanders' experience of State Services
<b>Goal 6: TRUSTED STATE SERVICES</b>	Strengthen trust in the State Services, and reinforce the spirit of service

TABLE 9: STATE SECTOR GOALS

### Departmental Structure

In order to deliver its outputs and achieve its outcomes effectively, the Department is organised into service delivery functions (Services) and support functions (Groups). 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 the General Manager Integration (a new role established in February 2006) and the Regional Management Committees, which are responsible for ensuring that operational management and service delivery are fully integrated.

Consistent with the emphasis on integration and in order to ensure the Department is well placed to

meet the challenges ahead, the Chief Executive announced a review of the Department's Head Office functions and structure in April 2006. The review is due to be completed by the end of 2006.

Further details of the structure of the Department, the responsibilities of each of the Groups and Services are available on the Department's website, [www.corrections.govt.nz](http://www.corrections.govt.nz).

### Investment in Capability

#### Funding 2005/06

The following funding was 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 successfully reintegrate back into the community
- funding for demand-driven costs associated with unexpected prisoner levels



- funding for monitoring of prisoners' telephone calls and to increase crime prevention information capability (CPIC).

#### *Cost-benefit Analysis of the Department's Interventions*

In addition to monitoring outputs from the above initiatives, and the rehabilitative intervention outcome evaluations via the Rehabilitation Quotient (RQ), the Department - in accordance with the Public Finance Act - is committed also to demonstrating "whole baseline" organisational effectiveness. A framework by which to demonstrate this is currently under discussion. Work will commence soon to define a hierarchy of organisational outcomes which are logically linked

to the high-level outcomes for the wider justice sector. Once specified, valid indicators of outcomes will be identified for ongoing measurement. This development will be undertaken in consultation with central agencies, in order to ensure an optimal framework design.

It is intended also that all outcome evaluations of the Department's interventions, some of which are undertaken as part of the Department's research and evaluation programme, will eventually include cost-benefit assessments of those interventions. Mainly on the basis of RQ data, the cost-benefit model will provide greater visibility of actual (and projected) costs and benefits associated with individual rehabilitative

programmes, providing data to inform decisions about which programmes should be maintained or further expanded, and which may need to be modified or curtailed.

#### *Capital Expenditure*

Capital expenditure is incurred by the Department in accordance with financial delegations from Cabinet to the Chief Executive through the Responsible Minister. Also, 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 incurring any capital expenditure. Capital expenditure actuals and forecasts are shown in the table below.

	<b>2006/07 Forecast \$000</b>	<b>2005/06 Actual \$000</b>	<b>2004/05 Actual \$000</b>	<b>2003/04 Actual \$000</b>	<b>2002/03 Actual \$000</b>	<b>2001/02 Actual \$000</b>
<b>Land and buildings</b>						
New regional prisons	233,440	310,650	153,440	60,371	33,790	13,660
Prison expansion – additional beds	74,600	70,880	28,200	–	24,060	32,950
Design options associated with the consideration of the future of Mt Eden Prison	4,490	980	520	–	–	–
Security projects, including fences	–	–	1,780	10,930	3,730	3,700
Health and safety work	3,290	8,880	15,920	1,993	5,410	4,110
Deferred maintenance work	29,960	17,100	18,930	12,457	3,230	2,690
Probation and Offender Services accommodation	17,300	2,320	3,680	1,703	2,570	4,510
<b>Sub-total</b>	<b>363,080</b>	<b>410,810</b>	<b>222,470</b>	<b>87,454</b>	<b>72,790</b>	<b>61,620</b>
Prisoner employment projects	10,000	2,600	3,490	5,118	5,450	3,540
Plant and machinery, equipment, motor vehicles, and furniture and fittings	10,950	5,390	6,450	6,560	4,470	6,790
Information technology	17,440	14,040	12,130	6,690	10,170	13,220
<b>Total</b>	<b>401,970</b>	<b>432,840</b>	<b>244,540</b>	<b>105,822</b>	<b>92,880</b>	<b>85,170</b>

TABLE 10: CAPITAL EXPENDITURE ACTUALS AND FORECASTS

### The Department's approach to Capability Development

The Department's approach to capability development is set out in the *Strategic Business Plan 2003–2008*. Theme 4 of the plan covers enhancing capability and capacity. Supporting the strategic business plan are four operational strategies, which guide development in the key capability areas of facilities and infrastructure, information technology, communications, and human resources. These four areas are covered in more detail 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-2010.

The most important infrastructure issue for the Department is catering for the expected increase in the number of prisoners in a way that is consistent with the regional prisons policy. Planning for this not only involves the commissioning of new facilities, but maintenance and improvement of existing facilities to ensure that they meet the operational requirements of existing prisons whilst keeping pace with the increase in prisoner numbers. Maintenance issues include reliability of the infrastructure including physical and electronic security. Initiatives to drive improvements include energy efficiency and compliance with occupational safety and health requirements.

The *Facilities and Infrastructure Operational Strategy 2003–2008* guides the Department's approach to facility and infrastructure management, with a particular focus on 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 support the effective management of offenders and facilitate rehabilitation
- developing positive relationships with communities
- retiring obsolete and worn-out facilities.

The first of four new corrections facilities, the 350-bed Northland Region Corrections Facility at Ngawha, near Kaikohe, opened in March 2005, and was operating at normal capacity by October 2005. Construction of the Auckland Region Women's Corrections Facility, a comprehensive 286-bed prison in Manukau City, was completed on 31 May 2006 and the first prisoners were received on 2 August 2006. The site will be operating at normal capacity by December 2006. Construction of the 335-bed Otago Region Corrections Facility, at Milburn, south of Dunedin, is scheduled to be completed in early 2007, with the first prisoners to be received in mid-2007. The 650-bed Spring Hill Corrections Facility is under construction at a site between Meremere and Te Kauwhata. Construction is scheduled for completion in mid-2007, with the first prisoners to be received in late-2007 and the facility operating at normal capacity in 2008.

The Department has been active in the construction of additional beds at existing prison sites. The expansion in accommodation at existing sites has included extensive redevelopment of supporting facilities. The support buildings and services work has been completed in the context of optimised development at each site. The ability, should it be required, to continue to extend existing sites is maintained through careful planning.

The major strategic issues concerning future development of corrections facilities include consideration of future operating regimes, confirming intentions for older sites such as

Mt Eden Prison, addressing the requirements for further building, completing deferred maintenance work and developing longer-term asset management plans for all sites.

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 greater sustainability in the 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 2010. The Department has addressed critical building work, principally compliance with health and safety legislation. Rimutaka prison has been expanding particularly rapidly requiring a major upgrade to support facilities. This upgrade started in 2005/06 and will continue in 2006/07.

Probation and Offender Services have experienced considerable growth in recent years, and will continue to do so in the foreseeable future. This growth has led to a number of new community-based office facilities being required. More detailed planning is underway to ensure that physical capacity is available to support increased demand.

Further details of initiatives relating to facilities and infrastructure management undertaken in 2005/06 are listed on pages 36 under Strategic Business Plan Theme 4: Strategy: Provide facilities to meet projected demand.

### Information Technology

Since the Department's establishment in 1995, Information Technology (IT) strategies have been developed to provide and maintain key business systems, including a national system for offender management.

The Department's Information Technology systems have continued to be developed to meet the business needs of a large and complex organisation such as the Department. Over the last two years there has been

44 percent growth in the size of the network, along with ongoing upgrades to existing systems to ensure they continue to support the Department's requirements. These growth and upgrades have been carried out in accordance with the strategic direction set by the *Information Technology Operational Strategy 2003–2008*.

The key aims of the *Information Technology Strategy 2003–2008* are 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 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.

The Integrated Offender Management System (IOMS) has also been enhanced

based on the IOMS review that was carried out in 2003/04. The review confirmed the effectiveness of the system and identified the ongoing life of the system through to 2012.

Development of a data warehouse began in 2003/04 and has continued to meet demand for management information. This has now become a key resource for managerial reporting, and further development is underway to meet the changing information needs of the Department. Also, to support information management throughout the Department, there has been a continual focus on implementing the Electronic Document and Records Management System (EDRMS).

The Department restructured its IT unit in 2005/06, resulting in improved resources and governance arrangements. The IT direction is now being influenced more by the justice sector and E-Government developments as a whole, especially following technology upgrades in the Ministry of Justice and work by other agencies on issues such as common networks and authentication technology.

Other major IT initiatives undertaken during 2005/06 included:

- completion of the upgrade of the Department's network plus implementation of a VoIP phone system
- upgrades to back-end infrastructure to support continual growth in device numbers
- continual implementation of the Electronic Document and Records Management System and enhancements to the data warehouse.

Further details of IT initiatives undertaken in 2005/06 are provided on page 36 under Strategic Business Plan Theme 4, Strategy: Continue to develop information management processes that support the Department's business.

## Communications

The *Communications Operational Strategy 2003–2008* guides the Department's approach to the management of communications through initiatives grouped under the following goals:

- foster internal appreciation of, and commitment to, the Department's strategic direction
- 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 rest in supporting the overall strategic direction for the Department and in particular the increased focus on further integrating service delivery, increasing community involvement with the Department's work and ensuring that the Department's perspective is included in media coverage and public debate.

Staff understanding and support for the strategic direction is a vital component of enhancing the Department's capability and capacity. With much already done to establish 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. At the same time, a proactive approach is required to allow the public to have reasonable trust and confidence in the Department's ability.

Key communications initiatives in 2005/06 focused on:

- Launching the Department's *Pacific Strategy 2005–2008* and *Prisoner Employment Strategy 2006–2009*.
- Reviews of the Department's graphic identity, publications management and official correspondence management.
- Opening of the Auckland Region Women's Corrections Facility.
- Promoting public understanding of some of the Department's key initiatives such as release-to-work and prisoner employment, contraband interception, drug detection and treatment, new reintegration initiatives and the trials of new monitoring technologies.
- Launching the Department's cultural practices policy.
- Supporting the transition of Auckland Central Remand Prison from private management to the Department.
- Integrating the Department's Māori name into existing branding.
- Influenza pandemic planning.
- Improving understanding of the Department's management of child-sex offenders.

#### Human Resources Management

The *Human Resources Operational Strategy 2003–2008* guides the Department's approach to human resources management and builds on the existing culture and capability through key initiatives grouped under the following themes:

- alignment of organisational culture
- responsiveness to Māori and diversity
- enhancement of people capability and capacity

- an effective human resources framework.

Negotiation of the 2006 Collective Employment Agreements was a primary focus for 2005/06. The Department has sought to achieve a settled industrial climate in order to focus on the challenges associated with the level of growth and establishment of new facilities. The successful conclusion of collection bargaining on most Collective Employment Agreements establishes a stable foundation for focussing on our organisational culture and values.

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 are reinforced throughout the Department, in performance competencies, and through the award scheme, PRIDE in Corrections – a Chief Executive Award, which recognises and rewards staff who demonstrate the Department's PRIDE values. This scheme, along with other initiatives, is aimed at embedding values and shaping desired culture throughout the Department. The Department has also initiated a department-wide process to examine what the PRIDE values mean for staff at a practical, day-to-day level. This process is expected to generate some practical strategies to embed these values further.

In 2003, the Department achieved primary status in the Accident Compensation Corporation (ACC) Partnership Programme and has maintained this status through successive annual audits. The Department has successfully implemented a system of 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.

The Management at Corrections programme has seen the development of training modules on health and

safety, responsiveness to Māori, performance management, and finance and business information. These modules are being delivered to departmental managers. The suite of programmes is being added to with induction, selection training and management coaching. The development of further "core" products and increased linkages to the opportunities provided by existing public service senior development programmes is also a key focus for the Department. The Management at Corrections programmes are complemented by further human resources development programmes specific to the Department's Services.

Further work will also continue to:

- integrate the management development component into a single department-wide framework, linked with wider public service initiatives
- address recruitment and retention issues, especially those associated with the commissioning of new prison facilities
- consolidate and reinforce the health and safety systems and process implemented to date.

#### Equal Employment Opportunities (EEO)

The Department of Corrections recognises that it must take a leading role in promoting the Government's EEO policy by accepting responsibility for the implementation of a departmental policy that addresses the key principles of the *EEO Policy to 2010: Future Directions of EEO in the New Zealand Public Sector*. New Zealand society is underpinned by the principle of fairness, and the Department seeks, in the delivery of both policy and services, to develop an organisation which recognises that people have a right to be free of unfair discrimination.

In order to have credibility and to withstand criticism, the Department reflects in its organisation a commitment to tolerance, cultural consciousness and fair-mindedness. The Department's EEO policy contributes to effective management by

attracting and drawing on a wider pool of talented people, by appointing the best people and by encouraging the full participation of all staff.

The Department is committed to equal opportunities in all its employment policies and procedures. Equal employment opportunities 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 2005/06 EEO programme complements other human resource initiatives that are working towards a positive workplace culture and co-operative relationships between staff and management.

EEO training for managers included the development and initiation of the *Responsiveness to Māori* workshop. The *Responsiveness to Māori* workshop provides a wider historic context and background for why Māori are highly represented in the Corrections system and the range of perspectives a manager may come across when working with our Māori stakeholders. The workshop facilitates staff understanding of how a number of core Māori concepts can be applied in the workplace to enhance workplace responsiveness.

Further EEO training included the Probation and Offender Services *Kia Mau* cultural awareness training

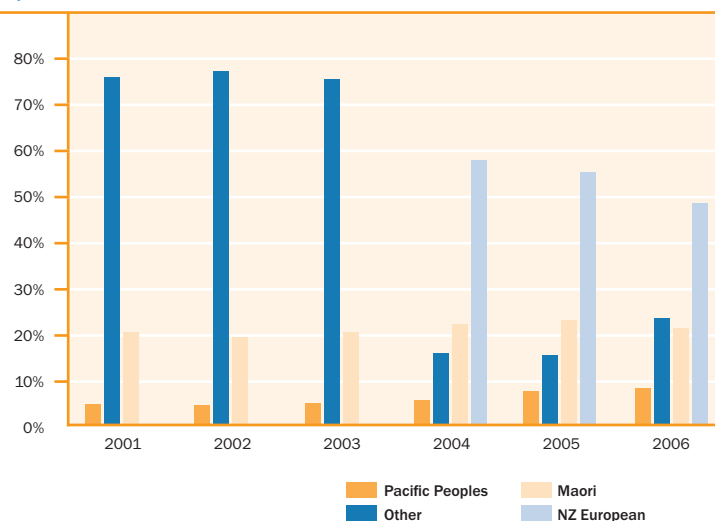
programme. *Kia Mau* enhances Community Probation Service staff knowledge, understanding and skills and enables them to work more effectively with Māori offenders. The programme enhances working relationships with Māori offenders, their whānau and local communities.

The evident progression throughout 2005/06 highlights the current positive direction of the Department, through the promotion and integration of equal opportunities for all persons associated with the Department.

#### Employees by Gender and Ethnicity

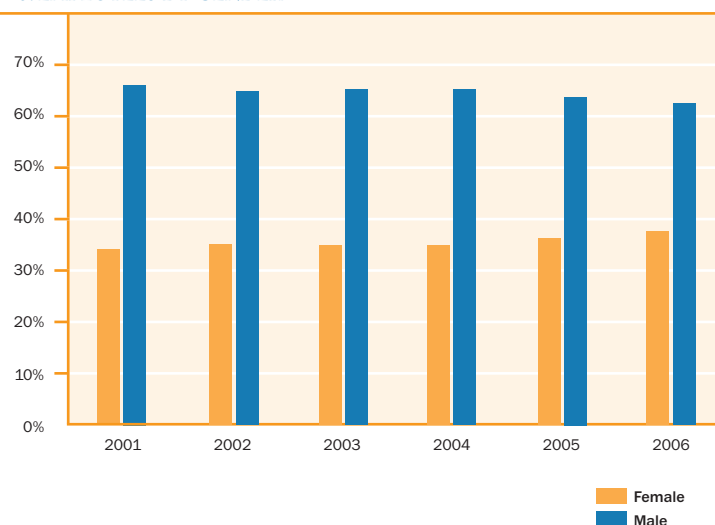
As at 30 June 2006, the Department employed 5,798 Full Time Equivalent employees (FTEs), compared with 5,110 as at 30 June 2005. Of this total, females represented 37.5 percent of all the Department's employees, compared with 36 percent as at 30 June 2005. Māori and Pacific peoples represented 20.9 percent and 7.9 percent respectively of the Department's employees as at 30 June 2006, compared with 22.8 percent and 7.4 percent at the same date in 2005.

FIGURE 19: EMPLOYEES BY ETHNICITY



Note: Prior to 2004, NZ European were included in Other.

FIGURE 20: EMPLOYEES BY GENDER





**Pay and Employment Equity Plan**

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.

The Department is commencing preparation for the Pay and Employment Equity Audit that will occur in the 2007 calendar year.

**Disability Strategy**

The Department of Corrections is committed to equal opportunity in all its employment policies and procedures. The Disability Progress Report 2005/06 identified the Department's disability policies and procedures whilst also acknowledging key disability areas that were progressed throughout 2005/06.

Significant actions for the 2005/06 period included:

- the construction of a large range of new facilities nationwide that have incorporated national industry access requirements
- the updating of the Department's website to enhance accessibility for all users
- the provision of a Department representative to the New Zealand Sign Language (NZSL) Interpreters Working Group to comment on standards regarding NZSL Interpreters in legal proceedings.

Progress was also achieved with the ongoing review of criminogenic treatment and assessment operational policies and interventions. Assessment of how programmes could be made more accessible and effective for offenders with different types of disabilities (physical, sensory,

neurological, psychiatric, intellectual or developmental) has been investigated. Furthermore, information processes that record information on disabilities in the prison population and amongst those serving non-custodial sentences were developed progressively throughout 2005/06.

Work will also continue during the 2006/07 financial year in accordance with the Department's Disability Implementation Work Plan. Under this plan, the Department will progressively review all employment and staff support processes to ensure they are responsive to the needs of staff that have disabilities, and in accordance with the Department's health and safety in employment strategy.

**Reducing Inequalities**

The Department of Corrections is one of 13 identified government departments required to report on reducing inequalities. The Treasury has outlined the Department's 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 the Cabinet in June 2004.

Reducing inequalities reaches across many sectors and requires coordinated action. Within the Department, 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 the Government's reducing inequalities policy in their planning, policy development and service delivery.

The Department's full annual report for 2005/06 on Reducing Inequalities is at Appendix 3 to this Annual Report.



## COLLABORATION WITH OTHER AGENCIES

To achieve the best results from its activities, the Department works closely with the core justice sector agencies and other government agencies.

### Collaboration with the Justice Sector

This section describes the justice sector, how it works together and the major initiatives collaborated on during the 2005/06 financial year that have contributed to the Government's priorities.

#### Sector Agencies

New Zealand has a robust justice system and a co-ordinated justice sector comprising the Ministry of Justice, Department of Corrections, New Zealand Police, Crown Law Office, and Serious Fraud Office. Child, Youth and Family Services (CYFS) are considered part of the core sector for the purposes of addressing youth offending and early intervention issues. From 1 July 2006, CYFS is operating from within the Ministry of Social Development.

The broader sector includes a number of Crown entities and other agencies.

The sector agencies work together through a range of mechanisms including the Justice Sector Chief Executives Forum, the Budget Inputs Steering Committee and the Justice Sector Information Committee. The sector Crown agencies meet in a twice-yearly forum.



FIGURE 21: JUSTICE SECTOR AGENCIES AND LINKAGES

In addition to collaborating with the core justice sector agencies as a whole, the Department also collaborates directly with the Ministry of Justice on matters relating to justice sector policy and courts, the New Zealand Police on operational decisions affecting the management of offenders, and with Child, Youth and Family on youth justice.

### Ongoing Development of Justice Sector Outcomes

The sector's current end outcomes are:

**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.**

The sector is reviewing its outcomes framework to ensure it has in place outcomes that are relevant, consistently interpreted, and that demonstrate how the sector contributes towards the priorities of Government.

### Collaborative Activities

In the 2005/06 year, the core sector agencies worked closely together to address significant issues in the justice system and improve the sector's ability to support the Government's priorities. Key areas of focus during the year are outlined in this section.

#### Effective Interventions

In light of concerns about capacity to manage both the current and forecast prison population, the Government established a multi-agency Effective Interventions project led by the Ministry of Justice. The Effective Interventions project aims to reduce and prevent crime, address New Zealand's growing prison population, and to build safer communities. This has been an area of particularly high priority for the sector over the past year.

To carry out this project, a working group was established with representatives from across the sector that comprised Justice (lead agency), Corrections, Police and Ministry for Social Development (key agencies), and the State Services Commission, Treasury and Department of the Prime Minister and Cabinet (central agencies).

Once the project had begun, Te Puni Kokiri, and the Ministries of Pacific Island Affairs, Health and Education also became involved.

The Effective Interventions project team reported back to Government in July 2006 with its recommendations. The Government has recently announced its decisions. These include:

- preparing a package of initiatives to reduce youth offending
- amending the Bail Act 2000 to promote greater consistency in decision-making
- expanding the availability of restorative justice processes
- introducing a new tier of community sentences to increase the number of sentencing options available to judges
- introducing home detention as a sentence in its own right for lower-risk offenders
- setting up two new drug and alcohol treatment units in prisons and two further general purpose special treatment units to provide intensive rehabilitative programmes in prisons.

Following recommendations from the Law Commission, the Government has also decided to:

- establish a Sentencing Council to produce sentencing guidelines
- reform parole to better align sentences imposed with sentences served.

Further information can be found on the Ministry of Justice's website: [www.justice.govt.nz/effective\\_interventions/](http://www.justice.govt.nz/effective_interventions/)

#### Justice Sector Pipeline model

Early work has been completed on the Justice Sector Pipeline model, a tool to assist sector planning. This model is aimed at improving sector understanding of the flow-through effects of changes to the system such as new policy or operational strategy.

Development of the Pipeline model is a long-term initiative intended to reduce the risks of unanticipated demands on the justice system, and support shared

sector outcomes by providing better information on the effects of policy and operational decisions.

Key outputs from the establishment phase include prototype and core systems and processes for managing ongoing work including a module development plan.

Sector agencies and central agencies all strongly supported the successful bid by the Ministry of Justice in 2005 to gain funding support for this initiative through the Cross-Departmental Research Pool.

#### Justice Sector Information Strategy

*The Justice Sector Information Strategy 2006–2011* was developed during the 2005/06 financial year. This is the third strategy that has been developed through sector collaboration, with key agencies such as Justice, Police, Corrections, Social Development (CYF), Land Transport and Legal Services Agency all involved.

The latest strategy provides the framework to expand and improve the existing sector information-sharing network over the next five years.

Key elements of the new strategy include:

- improve the quality and integrity of justice sector operational data sets
- effectively manage shared justice sector data and information
- supporting strategic decision making in the justice sector
- actively leverage the resource base across the justice sector
- improve information and service provision to our communities.

#### Other Justice Sector Initiatives

Justice sector agencies have also collaborated on the following activities:

- Implementation of the Courts and Criminal Matters legislation that also involved a number of agencies outside the justice sector.
- Completion of the fieldwork for the New Zealand Crime and Safety Survey in June 2006 with 5,433 households participating.

- Cross-government planning efforts for pandemic preparedness.
- Assessment of detailed proposals for improvement of the criminal summary jurisdiction through an Interagency Group comprising sector agencies, the New Zealand Law Society and members of the District Courts judiciary.
- Identification of priorities for the justice sector and presenting a package of options to Ministers as part of the Government's 2006 Budget process. A priority for the Government in 2006 was the provision of additional Police resources as agreed in the confidence and supply agreements. Through the Budget process, the sector assessed the flow-on impacts of these additional resources on other justice sector agencies.

FIGURE 22: KEY JUSTICE SECTOR STATISTICS – AS AT 30 JUNE 2006



## Collaboration with other Government Agencies

The Department has in place a number of agreements with other government departments and agencies to assist with achieving its outcomes of 'protecting the public' and 'reducing re-offending'. These agreements are with the Ministry of Justice, New Zealand Police, Child, Youth and Family, Ministry of Social Development, ACC, Ministry of Health, Inland Revenue Department, Department of Building and Housing, New Zealand Parole Board, Housing New Zealand Corporation, Career Services, the Office of the Ombudsmen and the Department of Labour.

During 2005/06 the Department adopted and promulgated a revised approach and framework for the management of interagency agreements. The new framework comprises a three-tier structure comprising national-level strategic agreements, national-level operational agreements, and regional-level agreements. By year-end, a number of new agreements based on the new approach and framework had been agreed. Work was also well advanced to subsume the interagency agreement with Child, Youth and Family (CYF) into the agreement with the Ministry of Social Development with the merging of CYF into the Ministry from 1 July 2006.

Good progress was made during the year on a number of priority issues in collaboration with other agencies, as follows.

- **Information Sharing under Sections 182 – 182D of the Corrections Act 2004**

Early in 2005/06 the revised Memorandum of Understanding (MOU) with the New Zealand Police negotiated in 2004/05 was put in place. The MOU was revised to codify information-sharing protocols on the exchange of under the provisions of section 182 of the Corrections Act 2004 which took effect from 1 June 2005.

Also during the year, a multi-agency agreement between the Department of Corrections, Child, Youth and Family,

Housing New Zealand Corporation, the Ministry of Social Development and the New Zealand Police on the sharing of information about child-sex offenders under sections 182A to 182E of the Corrections Act 2004 was developed and signed by all agencies. Following discussions between the Department and Child, Youth and Family on implementation issues, exchanges of the Child-sex Offenders List and disclosures commenced from 1 March 2006.

A national-level operational agreement with Child, Youth and Family on the sharing of information on home detention applications and suspected child abuse and/or neglect was also agreed.

- **Reducing Youth Offending Programme with Child, Youth and Family**

The evaluation of the joint Department/Child, Youth and Family Reducing Youth Offending Programme pilot was also finalised during 2005/06. This pilot was carried out over three years in Auckland and Christchurch. A key finding of the evaluation was that the programme was more likely to be effective with youth in Child, Youth and Family care rather than those in the Department's care. In April 2006, it was decided to refocus the programme to concentrate on younger offenders. From July 2006, the programme will be managed solely by Child, Youth and Family and delivered only to young offenders in the youth justice system.

- **Collaboration with the Ministry of Social Development on the reintegration of offenders back into the community and into employment**

Close collaboration with the Ministry of Social Development continued during the year. This focused on employment and industry-accredited training initiatives for prisoners, including the bedding in of the joint initiative whereby Work and Income reintegration case workers are now located at prisons to help offenders make a smooth transition to employment

on their release. Collaboration on assisting offenders to reintegrate back into the community will be further strengthened with the introduction of the Department's own prison-based reintegration workers in the coming year, following the pilot carried out in 2005/06.

- **Improvements to Health Services for Prisoners**

Under the Department's Memorandum of Understanding (MOU) with the Ministry of Health, the two agencies have complementary responsibilities for protecting and enhancing the health status for prisoners. The MOU covers all areas of service delivery, but specifically focuses on the delivery of primary health care, forensic mental health services, and addiction services including alcohol, other drugs and problem gambling.

During 2005/06, both agencies worked together to develop a new mental health screening tool for use in prisons. An approved trial began in July 2006 at Christchurch Men's prison, and will be extended to Mt Eden Men's Prison and Auckland Central Remand Prison. At the conclusion of the trial, an evaluation report will be prepared on the tool's appropriateness for use at all prisons throughout New Zealand.

The Department and the Ministry of Health also worked closely to improve the management of mentally-disordered prisoners and, in particular, providing in-prison treatment and support for those prisoners assessed as being acutely unwell.

# SUSTAINABLE DEVELOPMENT

The Department's sustainable development framework provides the structure for the reporting of the social, environmental and economic impacts of the Department's operations.

## Strategy and Approach

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. The Department's approach to sustainable development continues with the ongoing development and implementation of a customised sustainable development framework that contributes to the Department's decision-making and core processes.

The reporting guidelines, protocols and sector supplements prepared and issued by the *Global Reporting Initiative (GRI)*, continue to be applied as the basis for the Department's sustainable development framework. The guidelines provide a list of core and additional social, environmental and economic aspects and indicators that, where relevant to the Department, are measured, monitored and reported on.

## Summary of Achievements in 2005/06

### SUMMARY OF PERFORMANCE WITHIN THE SOCIAL DIMENSION

- The Department maintaining primary level status in the ACC Partnership Programme
- The Management at Corrections health and safety training workshop module was implemented
- 1,627 prisoners undertook vocational training programmes provided by the Public Prisons Service and Corrections Inmate Employment
- A total of 34,700 credits were achieved towards a recognised NZQA qualification
- Females represented 37.5% of all of the Department's employees
- Community Work projects involved over 2.1 million hours of work by offenders
- 3,589 formal complaints were dealt with by the Inspectors during the year

FIGURE 23: SUMMARY OF PERFORMANCE – SOCIAL DIMENSION

### SUMMARY OF PERFORMANCE WITHIN THE ENVIRONMENTAL DIMENSION

- 36 solar hot water systems are planned for an accommodation unit at the new Spring Hill Corrections Facility
- Infrastructure design/supply criteria has reduced planned water use from 650 to 450 litres per prisoner per day
- CO2 emissions have been reduced by 37% "per prisoner" since 2002
- Over 450 check meters (water, electricity and gas) have been installed in prisons
- Renewable energy sources have provided 3,360,000 kWh of energy
- Energy, kWh used "per prisoner" reduced by 9.5% (up from 8.6% last year) between 2002–2006
- The Department won the best government enterprise Energywise Award sponsored by the Energy Efficiency and Conservation Authority for Environmental/Energy initiatives

FIGURE 24: SUMMARY OF PERFORMANCE – ENVIRONMENTAL DIMENSION

**SUMMARY OF PERFORMANCE WITHIN THE ECONOMIC DIMENSION**

- The Regional Prisons Development Project and the findings of economic impact reports have assisted the Department to understand the effect corrections facilities have on communities located close to existing and proposed facilities
- \$322.6 million expenditure on personnel and a further \$43.7 million on facilities maintenance, offender management and administering the Department's resources

**FIGURE 25: SUMMARY OF PERFORMANCE – ECONOMIC DIMENSION**

The Department's full 2005/06 Sustainable Development Report is available on the Department's website.

**Looking Forward**

The Department's 2006/07 Sustainable Development Plan will describe the key sustainable development performance measures and will be published as a separate document in mid to late 2006. The Sustainable Development Plan will be available as a PDF document on the Department's website.