

Statement of Intent

1 July 2006 - 30 June 2007



DEPARTMENT
OF CORRECTIONS

ARA POUTAMA AOTEAROA

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INTRODUCTION

This Statement of Intent sets out the overall direction of the Department of Corrections for the period 1 July 2006 to 30 June 2007.

Part 1, Strategic Direction, summarises the Government's vision and priorities for the next decade and provides an overview of the justice sector and justice sector outcomes, and the linkages between these outcomes and the Government's priorities, as the setting for the Department's strategic direction, medium-term focus and key priorities and initiatives for 2006/07. These key priorities are those agreed with the Minister of Corrections.

Part 2 provides more detailed context for the Department's strategic direction. It covers the purpose and principles guiding the corrections system, the approach to managing offenders, and the environment and issues that impact upon the justice sector as a whole and the Department's operations. Also covered are: the Department's approach to measuring outcomes; its strategies to mitigate against identified risk areas; its approach to capability issues; a summary of the Department's sustainable development framework; and how the Department collaborates with other agencies (including the justice sector,) to achieve common aims.

Part 3 contains the Department's forecast financial statements prepared in accordance with section 39 of the Public Finance Act 1989. Included in these are detailed descriptions of the outputs that will be delivered during 2006/07, the performance measures and standards associated with these outputs, and statements setting out the Department's operating costs and expected financial position.

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MINISTER'S FOREWORD

The Government continues to invest to keep the New Zealand public safe and secure. It is working hard to address crime with comprehensive policies that reduce the incidence of crime while also focusing on ways to lower re-offending rates through targeted rehabilitation and reintegration programmes.

The Government has outlined an ambitious vision for New Zealand over the next ten years. Central to its goal will be ensuring families – both young and old – have the support and choices they need to fulfil their full potential. The Department of Corrections has a vital role to play by contributing to achieving safer communities.

Over the past seven years, the corrections system has been thoroughly modernised. The result is a corrections system that now provides significantly better protection for the public – the primary duty of the criminal justice system. We must continue to do all we can to keep the public safe from serious, violent and dangerous offenders. This means using prison better, reserving it for more serious offenders and keeping the most dangerous in prison for longer.

In June I will be opening the 286-bed Auckland Women's Regional Corrections Facility. This is the second of four new prisons being built, with Spring Hill and Otago regional prisons on track to be opened next year. In 2007, over 2,100 new beds will have come into service since 2004.

As well as needing offenders to be punished in order to serve justice, a healthy and safe society needs them to be given every opportunity to acknowledge their failures and mistakes and become constructive members of our communities. With this in mind the Government is committed to looking at the full range of options and responses to specifically address the growing prison population and reduce re-offending. This has obvious practical implications – a significant proportion of crime is committed by people who have already been through the prison system. Reducing re-offending will cut crime and make us all safer.

The *Statement of Intent* highlights a number of priorities I have asked the Department to focus on in the coming year, to ensure consistent approaches to managing and rehabilitating offenders. These are:

- Responsibility-based approaches that provide prisoners with sanctions and incentives to encourage positive behaviour.
- Improving the Department's rehabilitation programmes with the new focus on more intensive and better-targeted programmes.
- Providing treatment for a larger number of offenders who have substance abuse problems.
- Focusing on offenders gaining skills and employment, and increasing the opportunities available for this in prisons. Prisoners should be as productive as possible during their sentence by taking part in meaningful work initiatives and learning skills that will prepare them for life in the community.
- Options for strengthening community sentences for lower-risk offenders.

The Department has identified specific initiatives to address these priorities and will work with other government departments, Māori groups and community agencies. It has long been recognised that the corrections system can only be part of the solution to criminal offending, and the Department can be considerably more effective when joined up with other agencies.

In terms of my responsibility under section 39 of the Public Finance Act 1989 to present and publish information on the Department's future operating intentions, I certify that the information in this *Statement of Intent* is consistent with the policies and performance expectations of the Government.



Hon Damien O'Connor
Minister of Corrections



CHIEF EXECUTIVE'S OVERVIEW

I am pleased to present my second overview as Chief Executive of the Department of Corrections.

The focus for the 2006/07 year will be on initiatives to address the key priorities agreed with the Minister of Corrections in respect of responsibility-based approaches to encourage positive prisoner behaviour, improving the Department's intensive rehabilitation programmes, increasing treatment of substance abuse problems, focusing on offenders gaining skills and employment, and looking at options for strengthening community sentences for lower-risk offenders.

The 2006/07 year represents the fourth year of the Department's five-year *Strategic Business Plan 2003–2008*. The overall strategic direction outlined in the plan remains valid, and will continue to guide the Department through to 2008. This Statement of Intent outlines how the Department will continue the progress made in the previous three years towards fulfilling the promise of the plan, while at the same time recognising and responding to changes that have taken place during that time, and to changes in focus agreed with the Minister. During the year, work will also begin on developing a new strategic plan for the five years from 1 July 2008.

This Statement of Intent continues to place the Department's work firmly in the context of justice sector planning to meet the key Government priorities for the next decade. The Department has participated fully in recent sector planning initiatives and will continue to do so in 2006/07. It is only through enhanced collaboration between justice sector agencies that the shared outcomes of 'safer communities' and 'a fairer, more credible and more effective justice system' will be achieved.

Protecting the public and reducing re-offending remains the Department's primary focus. The Department has made considerable gains in recent years towards its outcome of protecting the public. While the Department will continue to consolidate these gains in the year ahead, the prime focus will be on initiatives to ensure consistent approaches to managing and rehabilitating offenders and reducing re-offending.

The rehabilitation and reintegration programmes delivered by the Department are designed to influence and motivate offenders to change their behaviour. Informed decisions on what programme, or mix of programmes, can lead to changed behaviour are predicated on continually reviewing and evaluating existing programmes. The Department has taken a fresh look at these programmes within the context of recent research that shows the intensity of programmes must be related to offenders' risk of re-offending. International evidence and the Department's own evaluations showed that two of the wide range of existing rehabilitation programmes were not as effective as more intense programmes would be.

Accordingly, in March 2006, the decision was taken to replace these two programmes with more intensive programmes over the next year. The Department's underlying approach to reducing re-offending by addressing the causes of each offender's offending remains unchanged and the new programmes will be based on current rehabilitation programmes. The new programmes will include a 300-hour high-intensity programme for high-risk offenders, a 120-150 hour medium-intensity programme for medium-risk offenders, and a shorter option for individual or small groups of offenders, supported by a relapse prevention programme for those

who complete the programmes. The Department will also trial the widespread delivery of a Short Motivational Programme for short-serving prisoners. The new programmes will be focused on those offenders who research shows are most likely to benefit from them, therefore having the greatest impact on reducing re-offending.

These programmes will only be part of the fresh look we are taking at the overall management and rehabilitation of offenders to ensure a consistent and cohesive overall approach, with the other priorities agreed with the Minister also forming integral parts of this overall approach.

Work is already underway on a number of these other priorities, including providing better services to support the reintegration into the community of offenders following release from prison or completion of community-based sentences. For example, the Department and the Ministry of Social Development are already working jointly on a strategy to improve the employment prospects of offenders. Both departmental and Work and Income New Zealand reintegrative workers have been established within the prisons to assist prisoners in obtaining employment on their release. We are also continuing to work hand in hand with the New Zealand Prisoners' Aid and Rehabilitation Society (NZPARS) to effect closer alignment on a range of reintegrative services, including a supported accommodation programme being piloted in Auckland with Housing New Zealand Corporation (HNZC).

Managing the increase in the prisoner population, while delivering services to the required standards, will also continue to be a focus in the coming year. Good progress has been made with the prison building programme, with the new Northland Region Corrections Facility now fully operational, and the addition of nearly 500 new beds in existing facilities approved by Cabinet. Construction of three further new corrections facilities is also on track. The Auckland Region Women's Corrections Facility will open this year, followed by the Otago Region Corrections Facility and the Spring Hill Corrections Facility in 2007. In total, more than 2,100 new prison beds will be added to the prison system by November 2007. Prison security will also continue to be enhanced through investment in monitoring of prisoners' telephone calls and an increased crime prevention information capability.

Investment will also continue in our people and our infrastructure, including in technology, to consolidate the gains that have already been made, because improving the capability of our people and their support systems is essential to the achievement of the Department's objectives and outcomes.

The Department is maintaining its commitment to Māori, by continuing the range of initiatives intended to fulfil the promise of our Māori Strategic Plan under its three key themes of building partnerships with Māori, being effective for Māori and being responsive to Māori. After a long search for a suitable Māori name for the Department that reflects the core values and goals in our work with offenders, we have adopted the name of *Ara Poutama Aotearoa*. The formal description of the name is "though the journey has many challenges, with timely support and guidance at crucial times, attaining the goal of an offence-free lifestyle can become a reality". *Ara Poutama Aotearoa* symbolises our commitment to assist all offenders to become offence-free so they can return to their families/whānau and communities as positive role models.

The Department has also recently issued a new Pacific Strategy, which seeks to extend the range of specific services and programmes that support the

management and rehabilitation of Pacific offenders.

Over the last year, the Department has participated fully in the Ministry of Health-led government preparations for a possible influenza pandemic, as part of the Law and Order Group led by the New Zealand Police. Departmental plans are well advanced to cope with an influenza outbreak, and pandemic planning will continue to be a high priority over the coming months.

During the year ahead, there will be many significant challenges for the organisation and its people. I look forward to working with our people to face these challenges and I am confident that the Department will successfully meet these to create a safer environment for the people of New Zealand.



Barry Matthews
Chief Executive



PART 1

Strategic Direction

GOVERNMENT VISION AND PRIORITIES

The Government's vision is for 'an inclusive New Zealand where all people enjoy opportunity to fulfil their potential, prosper and participate in the social, economic, political and cultural life of their communities and nation'.

The Government's priorities for the next decade are:

- **Economic transformation**
 - working to progress our economic transformation to a high-income, knowledge-based market economy, which is both innovative and creative and provides a unique quality of life to all New Zealanders.
- **Families – young and old**
 - all families, young and old, have the support and choices they need to be secure and be able to reach their full potential within our knowledge-based economy.
- **National identity**
 - all New Zealanders to be able to take pride in who and what we are, through our arts, culture, film, sports and music, our appreciation of our natural environment, our understanding of our history and our stance on international issues.

OVERVIEW OF THE JUSTICE SECTOR

Sector Agencies

New Zealand has a robust justice system and a co-ordinated justice sector comprising the Ministry of Justice, the Department of Corrections, the New Zealand Police, the Crown Law Office, and the Serious Fraud Office.

Child, Youth and Family Services, which from 1 July 2006 will operate from within the Ministry of Social Development, is considered part of the core sector for the purposes of addressing youth offending and early intervention issues.

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

JUSTICE SECTOR AGENCIES AND LINKAGES



JUSTICE SECTOR OUTCOMES

The justice sector has in place two end outcomes that are shared by all agencies within the sector and through which the sector contributes to the Government's priorities.

SAFER COMMUNITIES being communities in which there is reduced crime and in which safety and wellbeing is enhanced through partnerships

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 police service that meets communities' expectations to lead safe lives. Safety is also enhanced when communities are supported through locally based government agencies and organisations.

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

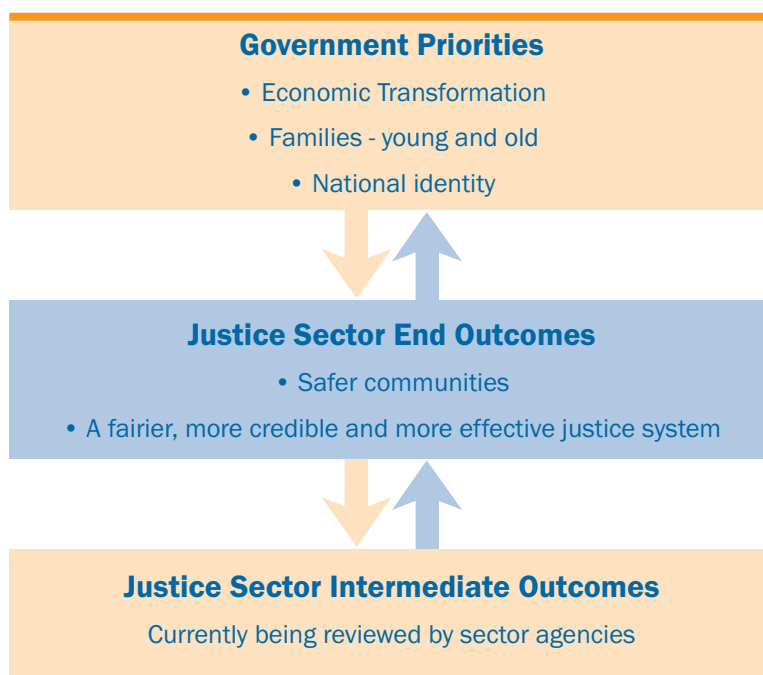
New Zealand's justice system comprises constitutional arrangements and legal frameworks, civil and criminal structures, police investigation, judicial process and dispute resolution, and offender management. The more effective and efficient each element, the closer the whole system will come to achieving the outcome.

These two end outcomes are interdependent: safer communities need to be supported by the rule of law administered by a fair, credible and effective justice system, and together they contribute to the Government's priorities of economic transformation, families – young and old, and national identity.

Ongoing Development of Outcomes

The sector is reviewing its intermediate outcomes and indicators. This work, which is being led by the Ministry of Justice, will examine the present outcomes structure to ensure the outcomes remain relevant, are consistently interpreted, and enable the sector to continue to make a strong contribution towards the goals of the Government. The review and redevelopment of intermediate outcomes will be complete for the 2007/08 year.

SUMMARY OF LINKAGES BETWEEN GOVERNMENT PRIORITIES AND SECTOR OUTCOMES



THE DEPARTMENT OF CORRECTIONS – STRATEGIC DIRECTION

The Department's strategic direction is consistent with, and contributes to, the Government's vision and priorities for the next decade, in particular Families – young and old. The strategic direction centres primarily on the justice sector end outcomes of 'safer communities' and 'a fairer, more credible and more effective justice system', supported by the achievement of the Department's two outcomes of 'protecting the public' and 'reducing re-offending'.

The Department's Focus

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

- a risk and needs assessment for each offender to determine how best to address their offending behaviour

- programmes to encourage offenders to address their offending behaviour
- programmes to address offenders' offence-related needs
- education, training and work experience to assist offenders to secure employment on release
- assistance with accessing community services.

The Department's Strategic Business Plan

The Department's *Strategic Business Plan 2003–2008* sets the overall direction for the organisation, within the framework of the broader outcomes defined for the wider justice sector and the context of the Department's focus on its outcomes of 'protecting the public' and 'reducing re-offending'.

The 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, which provide priority areas that assist staff and managers to focus

their efforts, are:

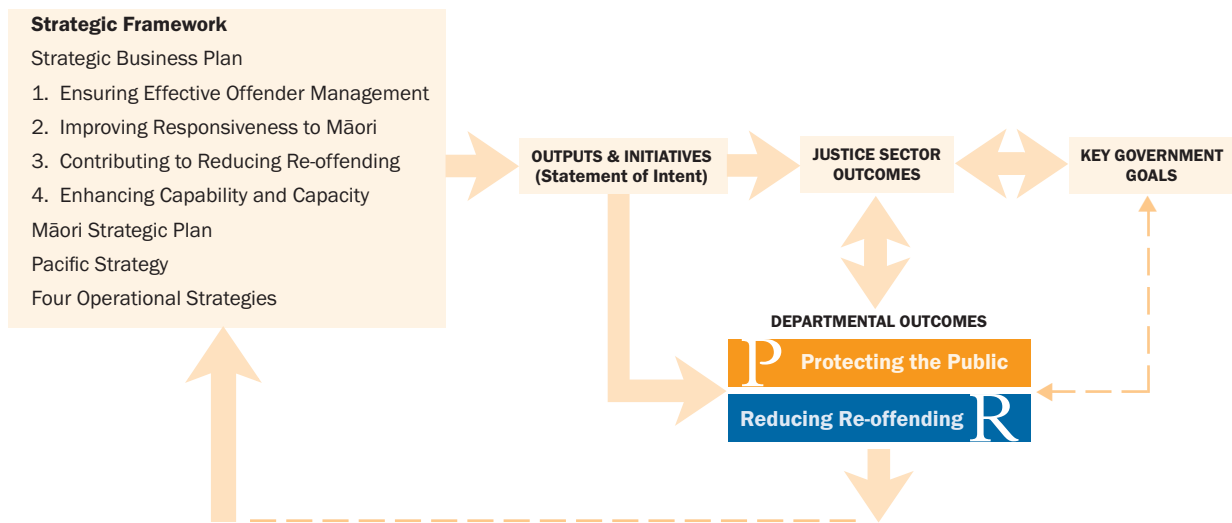
- Ensuring Effective Offender Management.
- Improving Responsiveness to Māori.
- Reducing Re-offending.
- Enhancing Capability and Capacity.

Within each theme is a series of strategies and initiatives to guide the Department towards the achievement of its outcomes.

The Department's *Strategic Business Plan 2003–2008* is supported by a Māori Strategic Plan, a Pacific Strategy and four operational strategies. The strategic business plan and the supporting plans and strategies, are available on the Department's website, www.corrections.govt.nz.

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

OVERVIEW OF THE DEPARTMENT OF CORRECTIONS STRATEGIC FRAMEWORK



Over the next year, the Department will begin preparing a new strategic business plan to cover the five-year period from 1 July 2006.

The Department's Medium-term Direction

The Department has concentrated in recent years on interventions that are directly related to the outcome of 'protecting the public', while continuing to development initiatives to support the outcome of 'reducing re-offending'. This approach reflects the balance between resources devoted to producing outputs that contribute to protecting the public (85 percent of the Department's output costs are linked to this outcome, providing the core custodial services, community-based 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 indicators (such as rates of incidents), as reported in successive annual reports.

While significant progress has been made towards the outcome of 'protecting the public', it is important to ensure that the gains made are not eroded given the current pressure on prison facilities in terms of the higher than forecast prison population and the challenges of maintaining the required number of prison staff in a buoyant

labour market. Therefore, it is essential that a strong focus remains on the effectiveness of the Department's operations that contribute directly to protecting the public.

However, it is recognised that the successful reduction of re-offending presents a better long-term promise of a positive impact on safer communities. In regard to reducing re-offending, the Department has developed rehabilitative interventions that are founded on what is known to work 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 focus on reintegrating offenders back into the community. The Department has worked to ensure programmes are adjusted to be effective for the New Zealand corrections system.

Since 2005/06, the Department has placed increased emphasis on the development of rehabilitation and reintegration initiatives. The key priorities for 2006/07 agreed with the Minister of Corrections continue this focus to ensure consistent approaches to managing and rehabilitating offenders. These priorities are set out in detail in the next section of this Statement of Intent.

As noted above, during 2006/07, development will begin on a new strategic plan for the five-year period from 1 July 2008. By the time the new strategic plan is prepared, the Department will have commissioned all four of the new regional prisons, together with other infrastructure improvements, such as the expansion of existing facilities. Overall capacity and capability, including staff and management capability, will be considerably advanced. Although there are continuing challenges to provide adequate capacity, capability development during this period of growth in offender numbers provides an opportunity to develop services that balance needs against regional demands through the comprehensive distribution of services.

Longer-term goals will need to emphasise the contribution the Department can make to reducing re-offending. Initiatives underway since 2005/06, particularly the emphasis on improved reintegration of offenders into the community following prison sentences, should be delivering enhanced performance. Evaluation of existing rehabilitative programmes will also inform the Department's future direction.

KEY PRIORITIES AND INITIATIVES TO BE DELIVERED IN 2006/07

This section summarises the key priorities for the Department in 2006/07 agreed with the Minister of Corrections, and the initiatives to support these priorities. In conjunction with the Ministerial priorities, the Department will continue to work in accordance with the themes and strategies outlined in its *Strategic Business Plan 2003–2008*. This section outlines the initiatives supporting the Minister's priorities in the context of these themes and strategies, together with the achievements to date, initiatives for 2006/07, and the outlook beyond 2006/07 for each of these themes and strategies.

Ministerial Priorities for 2006/07

The key priorities for 2006/07 agreed with the Minister of Corrections continue the increased emphasis on the development of rehabilitation and reintegration initiatives to ensure effective and consistent approaches to managing and rehabilitating offenders. These priorities describe the opportunities for the Department to improve its overall performance and operate with a greater focus on prisoner responsibility and stronger incentives for pro-social behaviour changes.

The priority areas are:

- Responsibility-based approaches to provide prisoners with progressive systems of incentives and sanctions that encourage and reward good behaviour.
- Improving intensive rehabilitation programmes.
- Increasing the emphasis on the treatment of offenders who have substance abuse problems.
- Focusing on offenders gaining skills and employment, and increasing the opportunities available in prisons.
- Considering options for strengthening community sentences for lower-risk offenders.
- Working in collaborative ways in partnership with the community and agencies such as the Ministry of Health, Ministry of Social Development and Housing New Zealand Corporation to manage and rehabilitate offenders and reintegrate them into the community.

Strategic Business Plan Themes, Strategies and Initiatives

This section outlines the initiatives identified for delivery in 2006/07 to support the above key priorities for the year, within the context of the themes and strategies of the *Strategic Business Plan 2003–2008*.

While the prime focus will be on those initiatives supporting the Minister's key priorities, a number of other initiatives will also be progressed in relation to these themes and strategies, particularly in relation to Theme 4 – Enhancing Capability and Capacity. To achieve the Government's goals for the next decade, justice sector and departmental outcomes, and these key priorities, the Department must ensure that it has in place the right resources, people, support systems and infrastructure.

This section outlines recent achievements made under each strategy, details the key initiatives to be progressed in 2006/07 and outlines further development over the life of the strategic business plan.

STRATEGIC BUSINESS 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.

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

Work achieved to date

Work in recent years has seen: a review of prison security policies and visitor management; improvements in the management of high-risk offenders; upgrading of perimeter security at all large sites; implementation of the trials of new technologies for electronic monitoring; development of appropriate systems and staff to monitor prisoners' telephone calls; introduction of systems for the collection and analysis of data that contributes to increased crime prevention information capability; implementation of year one of the Department's 2005–2008 Strategy to Reduce Drug and Alcohol Use in New Zealand Prisons; and implementation of improved information sharing between agencies following the enactment of the Corrections Act 2004.

Key initiatives for 2006/07

- Develop and validate a Prisoner Responsibility and Security Framework, including:
 - a responsibility-based approach to prisoner management using progressive systems of incentives and sanctions
 - the review and revision of the National System: Security Classification of Sentenced Prisoners, including a separate classification system for female prisoners, and implementation of the revised National System in accordance with the approved implementation plan
 - enhancing the Department's approach to active management, incorporating a high level of interaction with prisoners.
- Implement the initiatives from the Department's 2005–2008 Strategy to Reduce Drug and Alcohol Use in New Zealand Prisons.
- Introduce appropriate systems and staff to monitor prisoners' telephone calls.
- Implement the approved recommendations of the trials of new technologies for electronic monitoring.
- Implement the Crime Prevention Information Capability model to further increase the security of prisons, including introducing systems for the collection and analysis of data that contribute to increased crime prevention information capability, in accordance with the approved implementation plan and funding.

Outlook beyond 2006/07

The Department will fully implement the initiatives from its 2005–2008 Strategy to Reduce Drug and Alcohol Use in New Zealand Prisons. Following this, it will develop and publish the Department's 2008–2011 Strategy to Reduce Drug and Alcohol Use in New Zealand Prisons.

Strategy: Monitor application of offender management processes**Work achieved to date**

The Department has pursued initiatives consistent with the Government's approach to reform the criminal justice system in order to better protect the public while enabling best practice management of offenders. The Department has: reviewed its systems for making delegated decisions about the management of individual offenders to ensure consistency with the Corrections Act 2004; improved planning and reporting processes for offenders transitioning from prison; and developed and implemented initiatives to improve sentence planning and management.

Key initiatives for 2006/07

- Implement the approved processes for the management of released high-risk offenders, arising from the recommendations of the joint working group with Local Government New Zealand.
- Introduce appropriate systems to ensure a strong focus on reintegration in prison self-care units and special units (such as Māori Focus Units, Drug Treatment Units and Faith-based Units).

Outlook beyond 2006/07

The Department will continue to implement initiatives to enable best practice management of young offenders.

Strategy: Work collaboratively with other agencies**Work achieved to date**

The Department has: implemented shared communications and information technology strategies with other justice sector agencies; reviewed and enhanced information sharing arrangements following the implementation of the Corrections Act 2004; developed and implemented an appropriate framework and mechanisms for ensuring strong collaborative relationships with other agencies at a national and local level; and contributed to the Ministry of Justice-led review of home detention. The Department has progressed cross-sector reintegration and other initiatives, including work with the Ministry of Social Development on enhancing employment outcomes for offenders, and the pilot project with Housing New Zealand Corporation for supported accommodation.

Key initiatives for 2006/07

- Contribute to the Ministry of Justice-led 'Pipeline' project (modelling of justice sector volumes, stock and flows).
- Contribute to the Justice Sector Effective Interventions Project.

Outlook beyond 2006/07

The Department will continue to participate in collaborative relationships with other agencies, including implementing the approved recommendations from the Effective Interventions and Pipeline projects. The Department will also contribute to the development and implementation of the Justice Sector Communications Strategy for 2007/08.

STRATEGIC BUSINESS PLAN THEME 2 – Improving Effectiveness for Māori

The Department recognises the importance of effectively addressing the needs of Māori offenders, who comprise over 50 percent of the prison population and over 45 percent of new offenders starting community-based sentences. The 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.

Strategy: Work closely with Māori communities at a strategic and developmental level

Work achieved to date

Partnerships with Māori communities have focused on specific projects, for example, new facilities development and the consultative arrangements required for these projects. Māori policy statements have been developed and included in all of the Department's agreements with other agencies. The Department has entered into partnership arrangements with the Ngati Rangī Development Society Incorporated in respect of the Northland Region Corrections Facility, and Ngati Tuwharetoa in respect of corrections services in the Central North Island. The involvement of kaitiaki has enabled the Department to provide a stronger focus on cultural design aspects that can enhance the rehabilitative intent underpinning new facility design. The Department has also developed the operating requirements for the Pua Wananga and the Kaitiaki Model for the Northland Region Corrections Facility.

Key initiatives for 2006/07

- Continue implementation of the iwi partnership framework and policy.
- Increase whānau involvement and interaction through implementation of Whānau Involvement Plan initiatives.

Outlook beyond 2006/07

The Department will be looking to move beyond solely contractual relationships with hapu and iwi towards a strategic approach based on long-term relationships. The continuing process of developing and commissioning new facilities will provide further opportunities for the Department to deliver meaningful and sustainable models of community involvement. In terms of working with providers, a contract-driven approach is not always appropriate, and providers have to be trained, developed and coached on an ongoing basis, within the framework of the Department's Provider Development Strategy.

Strategy: Integrate Māori values and philosophies into programmes and services

Work achieved to date

The Department has implemented the Māori Provider Development Strategy, Cultural Supervision and Māori Cultural Assessment. The Department has also implemented the Tikanga Māori programme for women within the Public Prisons Service and through the Community Probation Service for women serving community-based sentences.

Key initiatives for 2006/07

- Complete evaluations of the following departmental targeted services:
 - specialist Māori cultural assessment
 - Te Ihi Tu (community residential centre)
 - Tikanga Māori programmes
 - Māori culture-related needs assessment (MaCRNs).

Outlook beyond 2006/07

Future initiatives will be within the context of the Māori Initiatives Pathway, a strategic framework that links Māori-specific interventions and supporting mechanisms within the Department's offender management processes.

Strategy: Build the effectiveness of the Department for Māori

Work achieved to date

The Department has: developed and supported Māori staff networks; reviewed recruitment methodologies to enhance the Department's ability to attract and recruit Māori staff and managers; and developed mechanisms through which the Department can optimise Māori responsiveness initiatives to achieve better outcomes for Māori.

Key initiatives for 2006/07

- Continue to develop initiatives to strengthen the Department's effectiveness for Māori in order to reduce re-offending.

Outlook beyond 2006/07

Consolidation of initiatives in relation to Māori staff networks, the Te Reo strategy, human resources developments covering recruitment, retention and capability development along with the use of supporting technology, will see the Department becoming increasingly better equipped to interact positively with Māori offenders and communities.

STRATEGIC BUSINESS PLAN 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 behaviour and return successfully to the community.

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

Work achieved to date

The Department has established specialist units (for example, alcohol and drug treatment units and Māori Focus Units). Several new reintegrative initiatives have been developed, including: closer integration with external service providers; establishing new reintegration workers in prisons; an evaluation of existing reintegrative support services for offenders; and a pilot programme for supported accommodation for high-need offenders. The quality of programme delivery to offenders in prison and in the community has been improved. Measurement tools have been developed to identify the reconviction and re-offending rates of offenders participating in rehabilitative interventions. New criminogenic programmes have been developed and implemented, including the Structured Individual Programme for women offenders. The effectiveness of prison drug treatment units has been reviewed.

Key initiatives for 2006/07

- Implement the approved recommendations of the review of the Department's overall approach to rehabilitation, including developing and implementing:
 - a Short Motivational Programme for delivery initially to short-serving prisoners (those sentenced to under two years)
 - a medium-intensity (150-hour) criminogenic programme for medium-risk offenders
 - an intensive (300-hour) criminogenic programme for high-risk offenders for delivery in a special treatment unit type setting
 - a structured Relapse Prevention Programme (RPP) for delivery to community offenders and prisoners following successful completion of a rehabilitative programme.
- Review all existing and proposed reintegrative interventions to maximise direct support to offenders before and after release from prison.
- Review the Auckland pilot of supported accommodation for high-need offenders.

Outlook beyond 2006/07

The above initiatives will continue to be implemented and/or consolidated beyond 2006/07, while further work will be undertaken to implement core criminogenic programmes for women. The enhanced criminogenic programmes will be expanded as the programmes are developed and implemented.

Strategy: *Reduce the incidence of violent re-offending*

Work achieved to date

Recent work has focused on new violence prevention programmes, ensuring that they are accredited under the Domestic Violence Act 1995, and contributing to the inter-departmental family violence project. Research has been completed on the treatment of very high-risk offenders. The Department has also designed and piloted an intensive group treatment programme for high-risk violent offenders and a programme for high-risk adult rapists.

Key initiatives for 2006/07

- Design and pilot an intensive group treatment programme for dangerous and severe personality disorders, including the development of a selection and assessment process for participants and a training programme for staff.
- Implement the pilot intensive programme for high-risk rapists in prison.

Outlook beyond 2006/07

The Department will continue to contribute to inter-departmental initiatives, continue its research on new interventions and implement any programmes as a result of successful pilot work.

Strategy: Reduce the impact of drugs and alcohol on re-offending**Work achieved to date**

The Department has developed and implemented programmes to treat substance abuse, including the community-based 100-hour Criminogenic Programme, and established specialist drug treatment units.

Key initiatives for 2006/07

- Ensure an increased emphasis on the treatment of substance abuse among prisoners and offenders, including:
 - facilitate the provision of health-sector-funded addiction treatment interventions in prison and the community alongside the existing departmental programmes and create more incentives for prisoners to be drug free
 - review the eligibility of prisoners with Identified Drug User (IDU) status to participate in programmes.
- Implement the recommendations of the review of the effectiveness of the prison Drug Treatment Units.
- Progress, in conjunction with the Ministry of Health, the implementation of agreed joint initiatives contained in the June 2005 report to the Ministerial Committee on Drug Policy.

Outlook beyond 2006/07

The Department will continue its emphasis on treating substance abuse.

Strategy: Improve outcomes for Pacific peoples**Work achieved to date**

The Department has: continued to progress the initiatives outlined in the Department's Pacific Strategy; implemented the Pacific communications strategy; continued development of Fautua Pasefika; integrated the requirements for a Pacific Focus Unit into the commissioning planning for the Spring Hill Corrections Facility; and published the Department's new Pacific Strategy 2005–2008 and progressed a number of the initiatives identified therein.

Key initiatives for 2006/07

- Develop working guidelines for engaging with Pacific advisory groups across the Department, other key government and non-government agencies, and local government organisations, in accordance with the Department's Pacific Strategy 2005–2008.

Outlook beyond 2006/07

The Department's Pacific Strategy provides a model of good practice, a relationship framework for working with Pacific peoples, and provides an opportunity for the Department to investigate reasons for comparatively low rates of re-offending by Pacific peoples. The Department will continue to progress the initiatives in its Pacific Strategy and will open a Pacific Focus Unit at the Spring Hill Corrections Facility.

Strategy: Assist offenders to achieve and maintain long-term employment**Work achieved to date**

The Department has increased the delivery of New Zealand Qualifications Authority (NZQA) unit standards to prisoners and implemented new initiatives to improve vocational training and employment outcomes for offenders. A review of release-to-work policies to ensure optimal numbers of prisoners receive work experience in the community prior to release from prison is continuing.

Key initiatives for 2006/07

- Progress the initiatives identified in the Prisoner Employment Strategy 2006–2009.

Outlook beyond 2006/07

Work in this area will be a significant priority for the Department as implementation and development of the joint initiatives with the Ministry of Social Development and other government and community agencies continue.

STRATEGIC BUSINESS PLAN 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*

Work achieved to date

The Public Prisons Service has a long-established training programme for frontline staff, and the Community Probation Service has implemented nationally the new Probation Officer curriculum. The Department has recently invested resources in establishing the management development strategy. This includes developing the Management at Corrections programme, enhancing management assessment, providing targeted development opportunities and succession programmes.

Key initiatives for 2006/07

- Continue to develop and deliver Management at Corrections modules as set out in the annual Management Development Plan for development based on organisational need.
- Identify high potential employees for targeted development for succession purposes, and investigate appropriate tools and resources to aid development planning at an individual development plan level.

Outlook beyond 2006/07

The Department will progress a range of staff and management development programmes. Human resources capability initiatives will be monitored and assessed in order to demonstrate the effectiveness of the investment.

Strategy: *Provide an increasingly safe and healthy work environment*

Work achieved to date

The Department has continued to implement health and safety management systems, and has developed and implemented the 2005/06 component of its 2005–2008 Health and Safety Strategic Plan. Medical facilities have been upgraded at many sites.

Key initiatives for 2006/07

- Implement the 2006/07 component of the Department's 2005–2008 Health and Safety Strategy to ensure a work environment that is safe and healthy for employers, visitors, the public and offenders.

Outlook beyond 2006/07

Progressive implementation of the 2005–2008 Health and Safety Strategic Plan will result in a more safety-conscious workforce, a reduction in injury accidents and rehabilitation costs, and a safe environment for staff, offenders and the public.

Strategy: *Continue to develop information management processes that support the Department's business*

Work achieved to date

The Department has continued the ongoing development of its Integrated Offender Management System (IOMS) and implemented a data warehouse in accordance with the recommendations of the IOMS review and the Information Technology Operational Strategy 2003–2008, to ensure that all information required for cross-service management and reintegration of offenders is available in a timely, easily accessible and seamless manner.

Key initiatives for 2006/07

- Continue the development of IOMS in accordance with the recommendations of the IOMS Review and the Information Technology Operational Strategy 2003–2008, to ensure that all cross-Service and inter-agency offender reintegration information is available in a timely, easily accessible and seamless manner.
- Ensure proactive support for and involvement in E-government initiatives, with an emphasis on joint ventures and procurement, technology standards including identity management, and common networks.
- Ensure proactive support for the implementation of Year 1 of the new Justice Sector Information Strategy, with a focus on

technology collaboration and the quality of information, including contributing to the justice sector identity management initiative, and progressing the implementation of Rapid ID (finger scanning) and interface with Police.

Outlook beyond 2006/07

Future development of information technology platforms and processes will continue in line with the Information Technology Operational Strategy 2003–2008 and the IOMS review.

Strategy: Provide facilities to meet projected demand

Work achieved to date

The Department has continued its Regional Prisons Development Project. The Northland Region Corrections Facility, formally opened in March 2005, achieved full operational capacity in October 2005. Significant construction work is underway at the Auckland Region Women's Corrections Facility, the Otago Region Corrections Facility and the Spring Hill Corrections Facility. The Department has completed the provision of the additional prison accommodation of 493 beds as approved by Cabinet, including 80 new self-care beds to help manage the reintegration of long-term prisoners nearing release from prison; and completed the relocation of Ohura Prison to the new unit at Tongariro/Rangipo Prison.

Key initiatives for 2006/07

- Continue the implementation of the Regional Prisons Development Project (RPDP) including:
 - complete commissioning (in preparation for receipt of the first prisoners) of the Auckland Region Women's Corrections Facility in the first quarter of 2006/07
 - complete the construction of the Otago Region Corrections Facility by the end of the third quarter of 2006/07
 - commence commissioning of the Otago Region Corrections Facility in the fourth quarter of 2006/07
 - progress the construction of the Spring Hill Corrections Facility for completion of construction in the first quarter of 2007/08
 - progress the commissioning plan for the Spring Hill Corrections Facility in accordance and within the framework of the overall RPDP commissioning plan.
- Implement new initiatives associated with future prison requirements, as agreed by Cabinet.

Outlook beyond 2006/07

Higher than forecast prison population levels have seen decisions taken to increase capacity that will continue to be implemented during 2006/07. Together with the new facilities being built within the framework of the Regional Prisons Development Project, these measures should meet projected growth over the next few years. Among the additional initiatives to be pursued will be addressing the future of Mt Eden Prison, and developing options to meet prisoner numbers. The Department continues to face significant staffing challenges – future options may include more overseas recruitment.

Other Initiatives

The following key initiatives for 2006/07 are not grouped under any specific theme or strategy.

- Progress, in conjunction with the Ministry of Health and other government agencies, the Department's response to a potential pandemic outbreak, in accordance with the approved response plan.
- Review the relationship with the public health system to ensure seamless access to primary and secondary health services for prisoners.
- Implement the Department's Knowledge Management Strategy.

PART 2

Strategic Context



PART 2 – 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

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 the 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

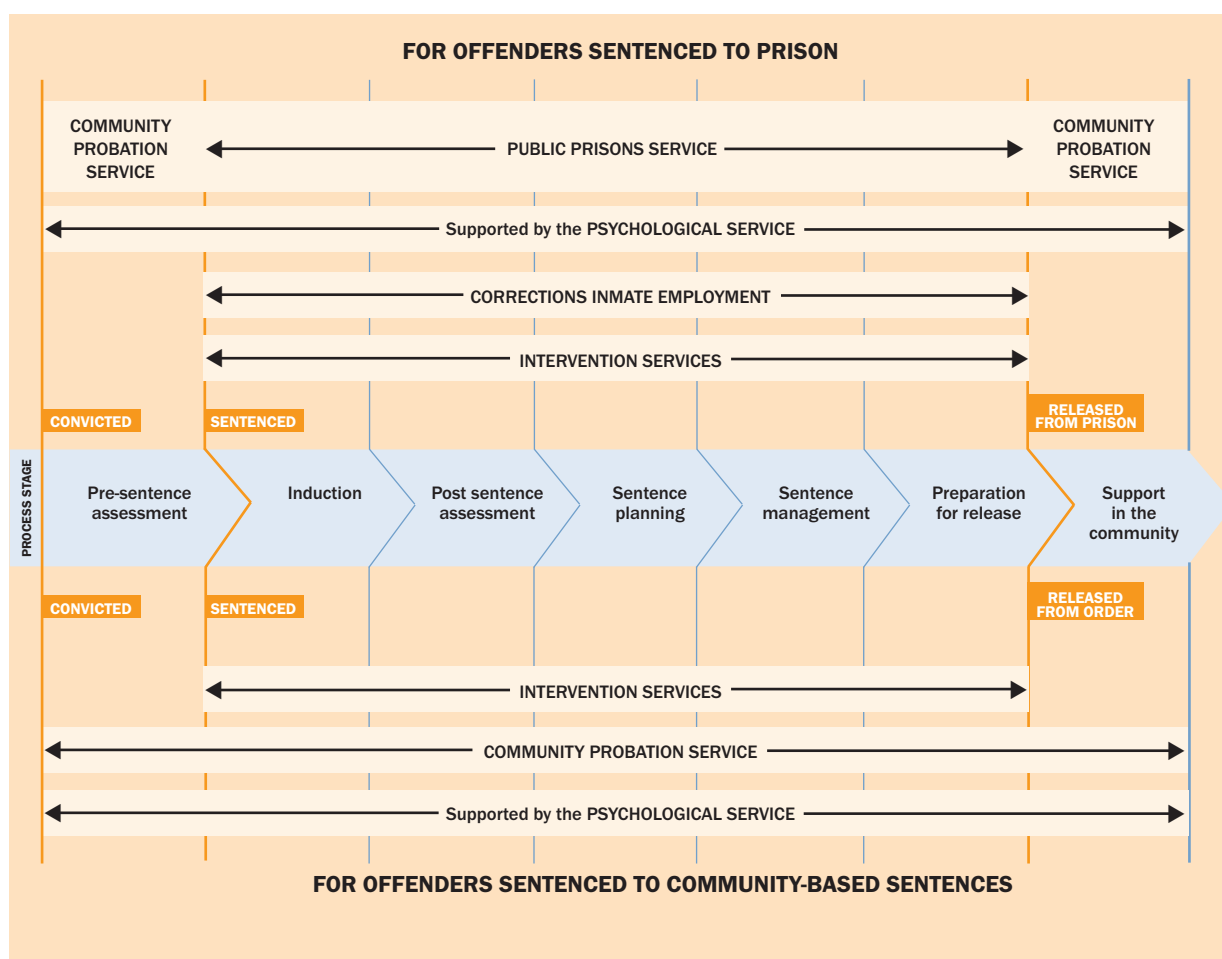
- in order to reduce the risk of re-offending, the cultural background, ethnic identity, and language of offenders must, where appropriate and to the extent practicable within the resources available, be taken into account:
 - in developing and providing rehabilitative programmes and other interventions 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.

APPROACH TO MANAGING OFFENDERS

In accordance with the purpose and principles guiding the corrections system, 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.

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.

Further details of the Department's approach to managing offenders are available on the Department's website, www.corrections.govt.nz.

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 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 30 September 2005. 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 2004/05, New Zealand's rate of imprisonment per 100,000 of population was 164, while Australia's was 119. Around 8,000 prisoners are released from prison each year; over half of these are likely to be reconvicted within two years.

One initiative underway is the Effective Interventions working party that will report to Government with proposals in mid-2006.

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 key driver of the extended sentences 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 signalled that it will be looking at a number of alternatives to prison as a sentence, including non-custodial options, 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 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.

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 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.¹

The total number of crimes, across all categories recorded by the Police for 2004/05, was 7.1 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 recently, the numbers of these types of offences are currently being maintained at relatively high levels.

Police crime resolution rates have also steadily increased in recent years. The Police crime statistics for 2004 show stable rates of recorded violent and sexual offences, but a significant increase in the resolution rate for such offences (up to 44.2% from 32.9% 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 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 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

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 24 to 30 months have seen a sharp increase. As noted above, in 2004/05, New Zealand's rate of imprisonment per 100,000 of population was 164, and by early 2006, this had risen to 181 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 years, taking the prison population of 7,450 in January 2006 to an estimated 8,685 by June 2010, an increase of over 16 percent.

For much of the past two years the prison population has exceeded forecast levels. Nationally, the increased number of prisoners has 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.

Community-based Sentences

While the number of offenders in prison has increased, the number serving community-based sentences (supervision, community work, parole, home detention, and release on conditions) has remained relatively stable, at approximately 40,000 new offenders starting community-based sentences per year. Volumes are expected to rise as initiatives to reduce prisoner numbers take effect.

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

MEASURING OUTCOMES

The Department's success will be determined by the extent to which the departmental outcomes of 'protecting the public' and 'reducing re-offending' are achieved. This success in turn contributes to the justice sector end outcomes of 'safer communities' and 'a fairer, more credible and more effective justice system'; and, through this, to the Government's priorities of 'Economic transformation', 'National identity' and, particularly, 'Families – young and old'.

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 a lack of social support, 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 pre-emptive actions to be taken when risks become elevated.

It is recognised, however, that the Department cannot completely control the outcomes experienced by offenders. Key limits to control include:

- for many offenders, the sentence imposed is too brief in duration to allow meaningful engagement with services
- many offenders are unmotivated 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 programmes 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 the proportion of those offenders who do so.

Further, in relation to the goal of safer communities generally, the Department's contribution is in reducing the 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 control, 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 36 and 37, which highlights how the Department's range of outputs contribute to its two outcomes of protecting the public and reducing (re-offending).

Departmental Contribution

To demonstrate success, processes must be in place to measure achievement. Progress made towards achieving objectives and outcomes outlined in this Statement of Intent will be reported in the Department's 2006/07 Annual Report. The annual report will detail the work the Department has done with respect to the key priorities agreed with the Minister of Corrections, the initiatives associated with these priorities and the

four themes of its *Strategic Business Plan 2003–2008*. It will also report 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 the review of outcome measurement that is underway within the justice sector. The measures are grouped under the departmental outcomes. Progress in protecting the public is assessed through measures that demonstrate the quality and efficiency of the Department's custodial functions. Progress in reducing re-offending is assessed by specific measures developed by the Department – the Recidivism Index and the Rehabilitation Quotient. These measures are discussed in more detail on page 38.

The Department also monitors the application of specific offender management processes to ensure they are properly and consistently applied. Individual processes will also be reviewed periodically to ensure that they remain effective, and, where necessary, will be amended. 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.

International Benchmarking

The Department has developed close working relationships, and participates in the exchange of information with a number of overseas jurisdictions, such as Australia, Canada, England and Wales, and Scotland. Other international 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 Council. The information exchanged has been used to develop benchmarks for 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. The measures are reported against in the Department's annual reports.

Protecting the Public

The departmental outcome of protecting the public will primarily be attained through the strategies and initiatives outlined in Theme 1 of the *Strategic Business Plan 2003–2008*. Progress towards the achievement of this 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.

LINKING OUTCOMES TO OUTPUTS



COMMUNITIES

CLASSES

Home detention assessments to the New Zealand Parole Board
 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
 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.



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

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). The RI measures the Department's performance in reducing re-offending as a whole, whereas the RQ measures the ability of a specific intervention to reduce re-offending.

Recidivism Index (RI)

The Recidivism Index 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 and 24 months for those released from prison, or commencing community-based sentences. RIs are reported for all offenders in each of the above categories, as well as for sub-groups within categories. The RI analysis uses re-conviction information obtained from the Ministry of Justice's Case Management System (CMS) database.

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, because 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 re-conviction figures generally provide a more complete measure of recidivism.

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.

Rehabilitation Quotient (RQ)

The Department 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 is to gauge the extent to which re-offending is reduced amongst those who received a rehabilitative intervention. The RQ statistic signifies the percentage-point difference in reconviction/re-imprisonment rates between offenders who completed individual programmes and matched 'untreated' offenders. 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 follow-up period (for example, 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.

The Department is able to present RQ data on intervention effectiveness for only a proportion of the programmes delivered. A number of programmes cannot be included in the analysis because of inadequate sample sizes – low sample size can be a consequence of low starter rates or high non-completion rates.

Interpretation of RQ results should be treated cautiously because 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 reducing re-offending.

Alternative Outputs Analysis

The mix of outputs delivered by the Department is not subject to radical change on a year-by-year basis. In particular, the core custodial outputs do not change greatly in their nature, comprising as they do the central functions of providing information to courts, and managing custodial and community-based sentences.

Rehabilitative programmes may be subject to greater change. Programmes administered by the Department have been developed against a background of international research on what works with offenders. Programmes may change over time as new research, including specific evaluation work conducted by the Department in the New Zealand context, emerges.

Analysis of the RQ results that were presented in the 2004/05 Annual Report, together with the evolving knowledge about what works best with offenders, has led to decisions to change the mix of rehabilitative programmes. The essence of the changes will be to target medium-intensity programmes to medium-risk offenders and high-intensity

programmes to high-risk offenders. These programmes will be supported by a comprehensive relapse prevention programme.

In addition, a Short Motivational Programme will be delivered to prisoners serving sentences less than two years in length. The effectiveness of other motivational programmes, such as Tikanga Māori programmes, Māori Focus Units and the Faith-based Unit, will also be assessed.

The Department will also be involved in the continuing work to examine options other than imprisonment for the rising offender population. The Government has made it clear that there will not be any lessening in penalties for serious repeat offenders and hardened criminals, but that for some other offenders the use of non-custodial sanctions may be more productive, and a smarter, more effective use of taxpayers' money.

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 its outcomes. The Department's own research and evaluation programme contributes to the development of new, or the modification of existing, interventions. This is especially so in the area of applying international work in the New Zealand context. 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. This work provides a critical foundation for the selection of new interventions, or the modification of existing approaches, that support the Department's work in this area.

The Department reviews its research and evaluation programme each year, to ensure that the limited research funding available is targeted to the most appropriate projects.

Projects planned for 2006/07, including some multi-year projects, include:

- 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
- evaluation of the operating philosophy at new prisons
- evaluation of Corrections Inmate Employment activity
- effectiveness evaluations of culturally based services, including:
 - specialist Māori Cultural Assessment
 - Te Ihi Tu (community residential centre)
 - Tikanga Māori programmes
 - Māori culture-related needs assessment (MaCRNs).

The evaluations will include assessments of the cost effectiveness of these services.

Cost Effectiveness of the Department's Overall Interventions

In addition to the assessments of the cost effectiveness of the above evaluations and of rehabilitative and reintegrative interventions through the Rehabilitation Quotient, the Department is committed to demonstrating the cost effectiveness of all interventions it delivers or administers. Ministers agreed that a joint review of the effectiveness of the Department's funding would be undertaken once the Department received the full 2005/06 Output Pricing Review funding.

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. Since then, the fundamentals of the framework have been 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, as 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.

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 in the table on the next page 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 table on the next page identifies the most significant risk areas and describes the mitigating strategies in place to ensure the risks do not eventuate.

RISK MANAGEMENT STRATEGIES

Risk Area	Mitigating Strategies
Effectiveness of rehabilitative interventions designed to contribute to reducing re-offending	Ongoing development, implementation and improvement of evidence-based specialist rehabilitative programmes.
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.
Effective management of high-risk offenders	The Department has implemented policies for the identification, notification, and management of high-risk offenders.
Public confidence in the corrections system	The Department has implemented appropriate communications and media-management policies.
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: <ul style="list-style-type: none"> • training and development of staff, and monitoring achievement of standards • recruitment campaigns.
Increased litigation by offenders	Implementation and ongoing monitoring of national compliance processes for core operational management systems.
Collective bargaining round	Bargaining will be undertaken in good faith and contingency plans will be prepared in case of industrial action.
Recruitment and retention of staff	The Department has implemented a major recruitment campaign both domestically and internationally and has established a working party to consider recruitment and retention issues.
Maintenance of physical security at prison sites	The Department is improving its reporting mechanisms for physical security issues and is ensuring appropriate resourcing to improve facility design.
Asian bird influenza pandemic	Contingency planning is being undertaken in accord with the government-wide approach.
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 is implementing a project to develop guidelines on managing prisoners with high and complex behaviour needs, as a first step to the identification, notification and management of high-risk offenders.

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

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

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 and the Regional Management Committees, which are responsible for ensuring that operational management and service delivery are fully integrated.

Further details on 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.

Investment in Capability

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, human resources, and communications.

The Department finalised an output pricing review, in conjunction with central agencies, in 2004. The review found the Department was facing significant funding issues, due primarily to the accumulated impact of unfunded cost and volume pressures. As a result, it was evident that output delivery was being adversely affected, and the Department's capability and capacity eroded.

The Government provided additional funding for the Department to restore and maintain capability progressively

from 2003/04, which meant that delivery against the Statement of Intent would be reasonably assured, although some information technology and asset and property issues could require attention in the future. The Department has been able to begin rebuilding its capability and capacity to deliver effective services. In particular, funding obtained following 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 per annum funding from 2005/06 onwards.

The phased implementation of the new funding will be completed in June 2006. Ministers were informed that there would be an effectiveness review of the funding provided in 2006/07. The Department is working with central

agencies to agree on the approach to the review.

Funding Decisions in 2006

The following funding has been made available in 2006:

- capital funding for completing construction of the Spring Hill Corrections Facility and Otago Region Corrections Facility
- capital funding for constructing additional facilities at existing sites to provide for increased prisoner numbers and associated operating costs
- commissioning, fit out and ongoing operating costs for the Otago Region Corrections Facility
- operating costs for the use of Police and court cells and disaster recovery

beds due to increased prisoner numbers

- additional funding for the existing home detention regime.

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 Department complies with the requirements of the Public Finance Act 1989, State Sector Act 1988, Treasury Instructions and any other legislation governing its operations when incurring any capital expenditure.

CAPITAL EXPENDITURE TRENDS AND FORECASTS

	2006/07 Forecast	2005/06 Est Actual	2004/05 Actual	2003/04 Actual	2002/03 Actual	2001/02 Actual
	\$000	\$000	\$000	\$000	\$000	\$000
Land and buildings						
New regional prisons	203,023	332,925	153,440	60,371	33,790	13,660
Prison expansion – additional beds	63,200	102,000	28,200	–	24,060	32,950
Design options associated with the consideration of the future of Mt Eden Prison	1,977	3,500	520	–	–	–
Security projects, including fences	-	-	1,780	10,930	3,730	3,700
Health and safety work	-	10,688	15,920	1,993	5,410	4,110
Deferred maintenance work	20,487	23,440	18,930	12,457	3,230	2,690
Probation and Offender Services accommodation	3,000	3,500	3,680	1,703	2,570	4,510
Sub-total	291,687	476,053	222,470	87,454	72,790	61,620
Inmate employment projects	5,000	3,000	3,490	5,118	5,450	3,540
Plant and machinery, equipment, motor vehicles, and furniture and fittings	9,200	7,152	6,450	6,560	4,470	6,790
Information technology	13,331	16,000	12,130	6,690	10,170	13,220
Total	319,218	502,205	244,540	105,822	92,880	85,170

Facilities and Infrastructure

The Department's physical infrastructure, and the management systems required to operate it, have been subject to change and expansion since 1995. The growth in the prison population in recent years, in excess of Ministry of Justice forecasts, 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 increased prisoner numbers.

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 complement the regional prisons policy. Maintenance issues 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 (application of new technology) 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 full capacity by October 2005. Construction of the other three new corrections facilities commenced

in 2004/05. The Auckland Region Women's Corrections Facility, a comprehensive 286-bed prison in Manukau City, is scheduled to open in August 2006 and to be operating at full capacity by December 2006. Construction of the 335-bed Otago Region Corrections Facility, at Milburn, south of Dunedin, is scheduled to be completed by March 2007, with the first prisoners to be received in June 2007 and the facility to be operating at full capacity by November 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 July 2007, with the first prisoners to be received in November 2007 and the facility operating at full capacity in 2008.

The Department has been active in the construction of additional beds at existing prison sites. This recent and current 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 the future development of correctional facilities include consideration of future operating regimes, confirming intentions for older sites such as Mt Eden, New Plymouth and Wellington prisons, addressing the requirements for further building, completing deferred maintenance work and developing longer-term asset management plans for all sites.

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.

Key priorities for facilities and infrastructure management in

2006/07 are listed on page 26 under Strategic Business Plan Theme 4: Strategy: Provide facilities to meet projected demand.

A further key priority is progressing, in conjunction with the Ministry of Health and other government agencies, the Department's response to a potential pandemic outbreak, in accordance with the approved response plan.

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 Information Technology Strategy 2003–2008 guides the Department's approach to information technology management.

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.

Major IT initiatives planned for 2006/07 are listed on pages 25 and 26 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 2006/07 will continue to focus on:

- Increasing internal and external awareness of the Department's contribution to the Government's key theme of Families – young and old
- Supporting the Department's Statement of Intent initiatives and responding to stakeholder,

media and public interest in the Department, its role and achievements.

- Supporting the opening of new corrections facilities as part of the initiative to manage prison population numbers.

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.

The Department has also made progress on identifying what it needs to do to be more effective for Māori, Pacific peoples and other groups. A number of initiatives have been piloted for 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. Recent responsiveness initiatives include implementation of a Te Reo strategy, development of a training module for managers and adoption of a Māori name for the Department.

Central to the development of the 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 the desired culture throughout the Department.

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 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.

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 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 programme is complemented by further human resources development programmes specific to the Department's service delivery functions.

Key human resources initiatives planned for 2006/07 are listed on page 25 under Strategic Business Plan Theme 4 Strategy: Develop the capability and capacity of staff and managers; and Strategy: Provide an increasingly safe and healthy work environment.

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 processes implemented to date.

Equal Employment Opportunity

The Department recognises that it must take a leading role in promoting the Government's Equal Employment Opportunity (EEO) policy through the implementation of initiatives detailed in the *EEO Policy to 2010: Future Directions of EEO in the New Zealand Public Service*. 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 that recognises that people have a right to be free of unfair discrimination. 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.

Developing the Department'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 it needs to be effective for an increasingly diverse offender population, particularly in relation to Pacific peoples, women, youth and other high-risk groups. The desire, as well as requirement, to be a good employer means also targeting responsiveness to staff.

Pay and Employment Equity Plan

The Department 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's Pay and Employment Equity Audit will occur in the 2007 calendar year.

Reducing Inequalities

The Department of Corrections is one of 13 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 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 the Government's reducing inequalities policy in their planning, policy development and service delivery.

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. The benefits and effectiveness of the framework are increasingly being realised as it is progressively linked 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.

Strategy and Approach

The Department's strategy identifies

the relevant GRI social, environmental and economic indicators against which the Department's non-financial performance can be measured. These indicators are then further developed to meet the unique custodial and non-custodial requirements of the Department.

The Department's approach to sustainable development continues to build upon the triple bottom line reporting commenced in 2002. That work includes the ongoing development of a sustainable development

framework that provides the basis from which performance indicator development can be progressed.

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.

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.

JUSTICE SECTOR COLLABORATION

The justice sector agencies work together in a range of ways to deliver effective justice services and to maximise the sector's contribution to outcomes and the Government's priorities.

Crime Reduction Strategies

Interventions that aim to reduce crime and re-offending involve agencies from across the sector. These interventions include the provision of information to the public, supporting community initiatives to prevent crime and victimisation, and the provision of specific services, such as the delivery of programmes designed to rehabilitate and reintegrate offenders.

KEY JUSTICE SECTOR STATISTICS

The justice sector:

- employs approximately 16,200 staff
- operates from over 660 sites around the country
- administers over 160 individual Acts of Parliament
- makes about 12 million electronic data transactions between agencies each year
- manages 24 separate electronic data interfaces
- updates the justice criminal data warehouse daily (it contains 210 gigabytes)

(Statistics are as at September 2005.)

On any average day* in the life of the justice sector:

- 26,730 offenders are on community-based sentences
- 7,000 people are in prison
- 1,462 emergency calls are answered by Police
- 1,085 crimes are recorded
- 1,036 traffic and infringement notices are issued
- 504 applications are made in Disputes Tribunals, the civil jurisdiction of the District Court and the Family Court
- 327 cases are referred for prosecution by Police
- 21 cases are referred to Child, Youth and Family
- 16 Family Group Conferences are convened
- 10 jury trials are disposed of in the District Courts

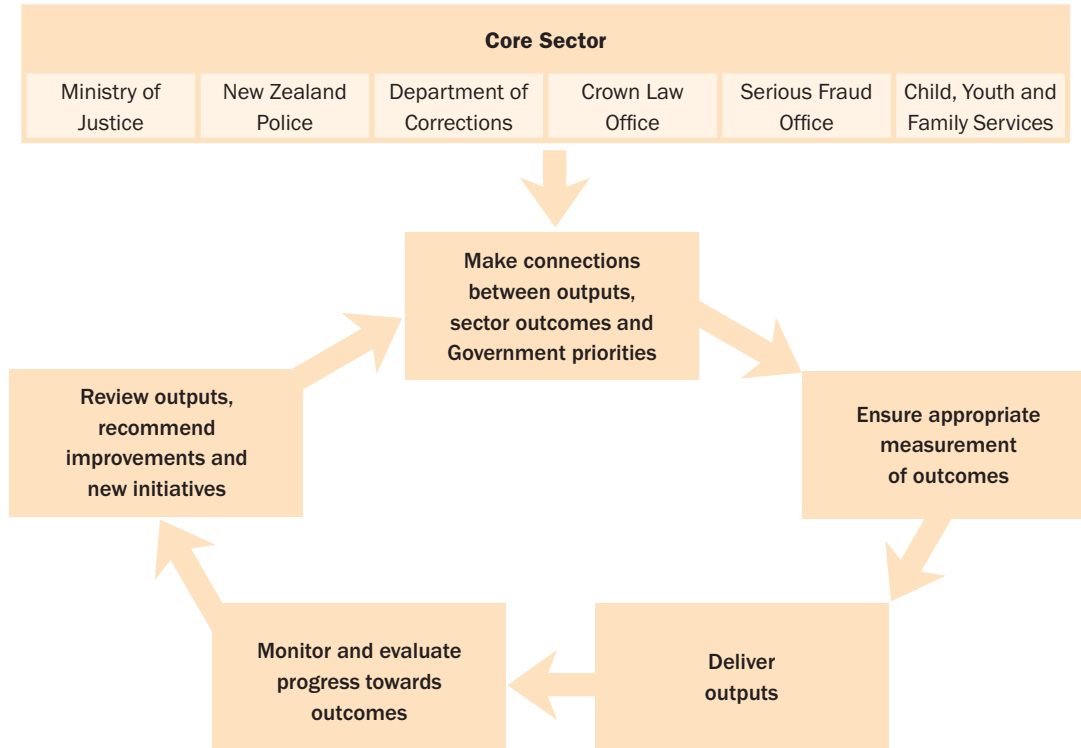
*(Statistics refer to 250 working days for the Ministry of Justice and 365 days for the Police, Corrections and Child, Youth and Family)

(Statistics are as at September 2005.)

Justice Sector Planning Process

The justice sector has a co-ordinated annual planning process facilitated by the Ministry of Justice. The process is focused on identifying priorities for the justice sector as a whole and presenting a package of options to Ministers as part of the Government's annual Budget process. One tool that will enable the sector to plan more effectively is the development and implementation of a modelling and resource allocation tool known as the 'pipeline' model. This model is aimed at improving sector understanding of the flow-through effects of changes to the system, such as the effect of increased Police resources.

SECTOR ANNUAL PLANNING CYCLE



Justice Sector Information Strategy

The sector has a co-ordinated strategy to improve information sharing across the sector. The strategy also ensures that the sector maintains compliance with E-government standards.

Justice Sector Communications Strategy

The sector also works to co-ordinate communications activity across the sector, through the Justice Sector Communications Strategy.

Justice Sector Links to Social Sector

The work of the justice sector requires a strong interface and co-operation with social sector agencies. For example, the justice sector is contributing to cross-sector work underway on the Government's priority of Families – young and old, with particular focus on safe communities.

In addition, the Ministry of Social Development manages the Opportunities for All strategic co-ordinating framework. Opportunities for All identifies critical cross-sectoral issues, of which reducing family violence is the area of particular focus for the justice sector.

The Government's Taskforce for Action on Violence within Families is committed to a vision of New Zealand families and whānau living free from violence. Individual justice sector agencies will respond to this in a range of ways relevant to their responsibilities.

The Department's Collaboration with Other Agencies

As part of the core justice sector, the Department collaborates with the Ministry of Justice on matters relating to justice sector policy and courts, with

New Zealand Police on operational decisions affecting the management of offenders, and with Child, Youth and Family on youth justice.

Close collaboration is maintained with the Ministry of Social Development on employment and industry-accredited training initiatives for prisoners, and with the Ministry of Health on 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 number of local, regional and national intersectoral committees, established to contribute towards the achievement of key government goals.

PART 3

Forecast Financial Statements AND Statements of Forecast Service Performance



PART 3 – FORECAST FINANCIAL STATEMENTS AND STATEMENTS OF FORECAST SERVICE PERFORMANCE

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STATEMENT OF RESPONSIBILITY

The forecast financial statements of the Department of Corrections presented in this report for the year ending 30 June 2007 have been prepared in accordance with sections 38 to 42 (inclusive) of the Public Finance Act 1989.

In terms of this provision, we are responsible for the preparation and contents of this report. We accept responsibility for the integrity of the statements contained in this report.

The financial performance forecast to be achieved by the Department for the year ending 30 June 2007 that is specified in the Statement of Intent is as agreed with the Minister of Corrections, who is the Responsible Minister for the financial performance of the Department of Corrections.

The forecast performance for each class of outputs to be achieved by the Department for the year ending 30 June 2007 that is specified in the Statement of Intent is as agreed with the Minister of Corrections, who is responsible for the Department of Corrections.

We certify that the information contained in this report is consistent with the existing appropriations and the appropriations contained in the Estimates for the year ending 30 June 2007 that are being laid before the House of Representatives under section 13 of the Public Finance Act 1989.



Signed
Barry Matthews
Chief Executive
6 April 2006



Countersigned
John Ryan
Chief Financial Officer
6 April 2006

FINANCIAL SUMMARY

The following financial highlights for the Department of Corrections present a forecast of performance for the year ending 30 June 2007.

In 2006/07 the Department of Corrections expects to earn income of:

- \$698.078 million in revenue from the Crown
- \$32.227 million in revenue from other sources.

Expenses of \$730.305 million are expected in purchasing services that will be supplied and administered under the ten departmental output expenses. The distribution of this expenditure is intended as follows:

- \$30.996 million (4.2% of the Vote) on psychological reports, remand pre-sentence reports, reparation reports, same-day reports, home detention reports and assessments, oral information reports and home leave and pre-release reports to prisoners, and reports to the New Zealand Parole Board
- \$75.740 million (10.4% of the Vote) on management and delivery of community-based sentences and orders through sentence management and sentence compliance services
- \$95.178 million (13.0% of the Vote)

on custodial remand services and provision of facilities to hold people charged with offences, and offenders convicted but not yet sentenced

- \$9.054 million (1.2% of the Vote) on the transportation of prisoners to and from court and their custody while at court
- \$425.556 million (58.3% of the Vote) on custodial services, the provision of facilities, and administering sentences of imprisonment
- \$34.063 million (4.7% of the Vote) on prisoner employment, including the provision and administration of work experience and training opportunities designed to help address the underlying causes of criminal re-offending
- \$47.239 million (6.5% of the Vote) on prison and community-based responsivity and rehabilitative programmes, reintegrative services and psychological services designed to address the underlying causes of criminal re-offending
- \$5.488 million (0.8% of the Vote) on services to the New Zealand Parole Board relating to the provision of administrative, financial and secretariat services
- \$5.403 million (0.7% of the Vote) on

the provision of advice, development of policies, and Ministerial servicing relating to the effective management of corrections services and a reduction in re-offending, and the review, evaluation and development of service standards

- \$1.588 million (0.2% of the Vote) on contract management, inspectorate, custodial assurance and national systems services.

The Department has also received a capital contribution of \$217.682 million to construct corrections facilities at Otago and Spring Hill, and an additional 180 beds at existing prison sites.

More details of how each of the output expenses will be spent are given in tables contained in pages 68 to 112.

The Department of Corrections manages a government investment (through taxpayers' funds) of \$1.565 billion and expects a negative net cash flow from operations and investment of \$231.823 million.

The financial information in pages 55 to 67 consists of forecasts. The actual results achieved for the periods covered are likely to vary from the information presented, and the variations may be material.

FINANCIAL HIGHLIGHTS

For the Financial Years Ending 30 June 2006 and 30 June 2007

	2005/06 Budget \$000	2005/06 Estimated Actual \$000	2006/07 Forecast \$000
Revenue: Crown	606,776	628,902	698,078
Revenue: Department	7,025	7,275	6,229
Revenue: Other	23,498	24,498	25,998
Output Expenses	637,299	660,675	730,305
Net Surplus/(Deficit)	-	-	-
Taxpayers' Funds	1,271,942	1,346,849	1,564,531
Net cash flows from operating and investing activities	(376,616)	(442,388)	(231,823)

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ending 30 June 2007

	2005/06 Budget \$000	2005/06 Estimated Actual \$000	2006/07 Forecast \$000
REVENUE			
Crown	606,776	628,902	698,078
Departmental	7,025	7,275	6,229
Other	23,498	24,498	25,998
Total revenue	637,299	660,675	730,305
OUTPUT EXPENSES			
Personnel	305,778	321,013	344,398
Operating	175,815	188,493	197,101
Depreciation	68,786	65,791	80,223
Capital charge	86,920	85,378	108,583
Total output expenses	637,299	660,675	730,305
Other (non-output) expenses	-	-	-
Net surplus/(deficit)	-	-	-

FORECAST STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS

For the Financial Years Ending 30 June 2006 and 30 June 2007

	2005/06 Budget \$000	2005/06 Estimated Actual \$000	2006/07 Forecast \$000
TAXPAYERS' FUNDS BROUGHT FORWARD AS AT 1 JULY	853,072	953,302	1,346,849
Movements during the year (other than flows to and from the Crown)	-	-	-
Add/(deduct) net surplus/(deficit)	-	-	-
Increase/(decrease) in revaluation reserves	-	-	-
Total recognised revenues and expenses for the period	853,072	953,302	1,346,849
Adjustment for flows to and from the Crown:			
Add capital contributions from the Crown during the year	418,870	393,547	217,682
(Deduct) distributions to the Crown during the year	-	-	-
Provision for payment of surplus to the Crown	-	-	-
Other	-	-	-
Add/(deduct) asset/liability transfers between the Department and the Crown	-	-	-
TOTAL ADJUSTMENTS FOR FLOWS TO AND FROM THE CROWN	418,870	393,547	217,682
TAXPAYERS' FUNDS AT END OF THE YEAR	1,271,942	1,346,849	1,564,531

FORECAST STATEMENT OF FINANCIAL POSITION

As at 30 June 2006 and 30 June 2007

	30 June 2006 Budget \$000	30 June 2006 Estimated Actual \$000	30 June 2007 Forecast \$000
ASSETS			
Current Assets			
Cash and bank balances	69,640	31,524	17,383
Prepayments	625	625	625
Accounts receivable	6,800	4,050	4,050
Inventories	4,700	3,842	3,842
Total current assets	81,765	40,041	25,900
Non-current assets			
Livestock	6,840	8,350	8,350
Investments	5,750	6,608	6,608
Physical assets	1,262,977	1,430,349	1,662,172
Total non-current assets	1,275,567	1,445,307	1,677,130
Total assets	1,357,332	1,485,348	1,703,030
LIABILITIES			
Current Liabilities			
Accounts payable	42,540	95,649	95,649
Provision for repayment of surplus	-	-	-
Provision for employee entitlements	32,950	32,950	32,950
Total current liabilities	75,490	128,599	128,599
Term liabilities			
Provision for employee entitlements	9,900	9,900	9,900
Total term liabilities	9,900	9,900	9,900
Total liabilities	85,390	138,499	138,499
TAXPAYERS' FUNDS			
General funds	1,271,704	1,257,940	1,475,622
Revaluation reserves	238	88,909	88,909
Total taxpayers' funds	1,271,942	1,346,849	1,564,531
Total liabilities and taxpayers' funds	1,357,332	1,485,348	1,703,030

FORECAST STATEMENT OF CASH FLOWS

For the Financial Years Ending 30 June 2006 and 30 June 2007

	2005/06 Budget \$000	2005/06 Estimated Actual \$000	2006/07 Forecast \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided from:			
Supply of outputs to Crown	606,899	628,902	698,078
Supply of outputs to Departments	7,025	7,275	6,229
Supply of outputs to Other	23,104	24,216	25,998
Cash disbursed to:			
Output expenses	(481,653)	(509,224)	(541,499)
Capital charge	(86,920)	(85,378)	(108,583)
Other expenses	-	-	-
Net cash flows from operating activities	68,455	65,791	80,223
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash provided from:			
Sale of investments	(31)	-	-
Sale of physical assets	1,600	1,600	1,650
Cash disbursed to:			
Purchase of investments	-	-	-
Purchase of physical assets	(446,640)	(509,779)	(313,696)
Net cash flows from investing activities	(445,071)	(508,179)	(312,046)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash provided from:			
Capital contribution from the Crown	418,870	388,243	217,682
Cash disbursed to:			
Payment of surplus to the Crown	-	(167)	-
Net cash flows from financing activities	418,870	388,076	217,682
Net increase/(decrease) in cash held	42,254	(54,312)	(14,141)
Opening total cash balances at 1 July	27,386	85,836	31,524
Closing cash balances as of 30 June	69,640	31,524	17,383

FORECAST RECONCILIATION OF NET OPERATING CASH FLOWS

For the Financial Years Ending 30 June 2006 and 30 June 2007

	2005/06 Budget \$000	2005/06 Estimated Actual \$000	2006/07 Forecast \$000
OPERATING SURPLUS/(DEFICIT)	-	-	-
Add/(deduct) non-cash items			
Loss arising from the devaluation of land and buildings	-	-	-
Loss on sale of a fixed asset	-	-	-
Depreciation and amortisation	68,786	65,791	80,223
Other non-cash items	-	(330)	-
Add/(deduct) Working Capital movements			
(Increase)/decrease in inventories	31	715	-
(Increase)/decrease in debtors and receivables	(394)	783	-
(Increase)/decrease in debtor Crown	-	-	-
(Increase)/decrease in pre-payments	25	327	-
(Increase)/decrease in creditors and payables	(4)	(1,020)	-
(Increase)/decrease in capital charge payable	-	-	-
(Increase)/decrease in other accrued liabilities	-	-	-
(Increase)/decrease in employee entitlements	11	(475)	-
Other items	-	-	-
Net Working Capital movements	(331)	330	-
Net cash flows from operating activities	68,455	65,791	80,223

FORECAST DETAILS OF PHYSICAL ASSETS

By Category as at 30 June 2006 and 30 June 2007

	30 June 2006 Estimated Actual			30 June 2007 Forecast		
	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000
Freehold land	112,140	-	112,140	112,340	-	112,340
Forests	35,205	-	35,205	35,705	-	35,705
Buildings	1,252,344	45,891	1,206,453	1,536,240	106,014	1,430,226
Plant and equipment	36,770	22,907	13,863	44,970	26,207	18,763
Leasehold improvements	9,454	4,631	4,823	9,754	5,381	4,373
Furniture and fittings	9,949	5,540	4,409	12,149	6,440	5,709
Motor vehicles	34,571	19,628	14,943	36,071	21,328	14,743
Computer equipment	88,951	50,438	38,513	97,451	57,138	40,313
TOTAL	1,579,384	149,035	1,430,349	1,884,680	222,508	1,662,172

FORECAST OUTPUT CLASS OPERATING STATEMENTS

The Department of Corrections is committed to providing output classes in 2006/07 that meet the requirements of the Minister of Corrections and other stakeholders in terms of the nature, quantity, quality, timeliness and cost of each class.

Departmental output classes to be delivered by the Department of Corrections for the year ending 30 June 2007, and their associated revenue, expenses and surplus or deficit, are summarised in the table below.

Departmental Output Class	Description	Revenue Crown \$000	Revenue Dept \$000	Revenue Other \$000	Total Expenses \$000	Surplus/ (Deficit) \$000
VOTE CORRECTIONS						
Output Class 1: Information Services	Provision of psychological, remand pre-sentence, reparation, same day, home detention, oral information, home leave and pre-release reports for prisoners, information for extended supervision orders, and reports to the New Zealand Parole Board	30,996	-	-	30,996	-
Output Class 2: Community-based Sentences and Orders	Management and delivery of community-based sentences and orders through sentence management and sentence compliance services	75,040	700	-	75,740	-
Output Class 3: Custody of Remand Prisoners	Provision of custodial remand services and facilities to hold people charged with offences, and people convicted for offences but not yet sentenced	95,178	-	-	95,178	-
Output Class 4: Escorts and Custodial Supervision	Transportation of prisoners to and from court and their custody while at court	9,054	-	-	9,054	-
Output Class 5: Custodial Services	Provision of custodial services and facilities, and administering sentences of imprisonment	420,027	5,529	-	425,556	-
Output Class 6: Prisoner Employment	Provision of prisoner employment, including the provision and administration of work experience and training opportunities	8,065	-	25,998	34,063	-
Output Class 7: Rehabilitative Programmes and Reintegrative Services	Provision of prison and community-based responsivity and rehabilitative programmes, reintegrative services and psychological services	47,239	-	-	47,239	-
Output Class 8: Services to the New Zealand Parole Board	Provision of administrative, financial and secretariat services	5,488	-	-	5,488	-

Output Class 9: Policy Advice and Development	Provision of advice, development of policies and Ministerial servicing	5,403	-	-	5,403	-
Output Class 10: Service Purchase and Monitoring	Contract management, Inspectorate, custodial assurance, and national systems services	1,588	-	-	1,588	-

STATEMENT OF ACCOUNTING POLICIES

For the Year Ending 30 June 2007

Reporting Entity

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

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

Reporting Period

The reporting period covers the 12 months from 1 July 2006 to 30 June 2007. Comparative projected figures for the year ended 30 June 2006 are provided.

Measurement System

These 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.

Revenue

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

Cost Allocation

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

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

Debtors and Receivables

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

Operating Leases

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

Physical Assets

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

Land and buildings were last revalued as at 30 June 2005.

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 the tree crop is recognised in 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 – structure	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 Inland Revenue's national average market value. Gains due to changes in the per head value of the livestock herd 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.

Financial Instruments

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

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

Goods and Services Tax (GST)

The Statement of 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 policies have been applied on a basis consistent with the previous year.

STATEMENT OF FORECAST SERVICE PERFORMANCE

For the Year Ending 30 June 2007

OUTPUT CLASS 1 INFORMATION SERVICES

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

EXPENSES FOR OUTPUT CLASS 1 INFORMATION SERVICES

For the Year Ending 30 June 2007

Outputs in this output class will be provided within the appropriated sum of \$30.996 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2006/07 SOI	30,996	30,996	30,996	-
2005/06 Supp Estimates	30,299	30,299	30,299	-
2005/06 SOI	28,837	28,837	28,837	-

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.

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of reports to courts:	29,115	30,000	31,000
The number of hours for attendance at courts:	63,809	60,000	61,000
Quality			
The percentage of reports provided to the following standards contained in the relevant service descriptions and Probation and Offender Services Manual to be no less than:	92%	95%	95%
<ul style="list-style-type: none"> • written reports in a specified format • verification process specified/rationale for no verification • concise, logical and grammatically correct • clear statement of recommendations consistent with the law. 			
The number of written complaints from judges to be no more than:	6	15	15
Timeliness			
The percentage of reports to courts provided to a timetable set through service level agreements to be no less than:	95%	98%	98%


OUTPUT 1.2 Parole Information and Advice to the New Zealand Parole Board

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of New Zealand Parole Board pre-release reports prepared for prisoners:	4,217	4,600	4,600
Quality			
The percentage of New Zealand Parole Board pre-release reports provided to the following standards contained in the relevant service descriptions, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:	100%	100%	100%
<ul style="list-style-type: none"> • the reports are clear and concise, identifying major points to enable the Board to make a decision on the prisoner's release • the reports must identify whether statements are fact or opinion; findings are to be derived from the body of the report; recommendations are to address issues, be capable of being implemented and demonstrate that they will achieve the results required • each prisoner is involved in the development of his or her report. 			
Timeliness			
The percentage of New Zealand Parole Board pre-release reports provided within the deadlines set by the Board to be no less than:	94%	100%	100%

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. Likely community reaction to the planned home leave and the suitability of the proposed accommodation by a prisoner is also assessed.

Performance Measure	Performance Standard		
	Actual 2004/05	2005/06	2006/07
Quantity			
The number of home leave reports:	672	900	900
Quality			
The percentage of home leave reports provided to the following standards contained in the relevant service description and Probation and Offender Services Manual to be no less than:	95%	98%	98%
<ul style="list-style-type: none"> • reports completed and all questions addressed • concise, logical and grammatically correct. 			
Timeliness			
The percentage of home leave reports provided within two weeks of request to be no less than:	99%	98%	98%

OUTPUT 1.4 Home Detention Assessments to the New Zealand Parole Board



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

Performance Measure	Performance Standard		
	Actual 2004/05	2005/06	2006/07
Quantity			
The number of home detention specialist reports:	3,438	3,900	4,000
Quality			
The percentage of home detention specialist reports provided to the following standards contained in the relevant service description and Probation and Offender Services Manual to be no less than:	95%	98%	98%
<ul style="list-style-type: none"> • written reports in a specified format • verification process specified/rationale for no verification • concise, logical and grammatically correct • statement of recommendations consistent with the law. 			
Timeliness			
The percentage of home detention specialist reports provided within the deadlines agreed with the New Zealand Parole Board to be no less than:	88%	98%	98%


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.

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of New Zealand Parole Board reports:	987	900	900
The number of reports to courts:	154	100	100
Quality			
The percentage of New Zealand Parole Board reports provided to the standards contained in service descriptions and the Psychological Service Manual to be no less than:	100%	100%	100%
The percentage of reports to courts provided to the following standards contained in the service descriptions and Psychological Service Manual to be no less than:	100%	100%	100%
<ul style="list-style-type: none"> • written reports in a specified format • concise, logical and grammatically correct • source and reason for referral are clearly stated • all relevant and appropriate information included • sources of information well documented and verified • clear statement of recommendations for further investigation • complies with the Code of Ethics of the New Zealand Psychological Society 1986. 			
Timeliness			
The percentage of New Zealand Parole Board reports provided within deadlines agreed with the Board to be no less than:	100%	100%	100%
The percentage of reports to courts provided to a timetable set through service level agreements to be no less than:	100%	100%	100%

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

Performance Measure	Actual		Performance Standard	
	2004/05	2005/06	2005/06	2006/07
Quantity				
The number of health assessments completed on offenders for whom an extended supervision order is considered:	93	56	56	56
The number of extended supervision applications to courts:	64	56	56	56
The number of applications to the New Zealand Parole Board for special conditions (for offenders who are subject to an extended supervision order):	21	56	56	56
Quality				
The percentage of health assessments provided to the following standards to be no less than:	100%	100%	100%	100%
<ul style="list-style-type: none"> • written assessments in a specified format • verification process specified • required information provided where available • clear statement of recommendations consistent with the law. 				
The percentage of applications to courts provided to the following standards to be no less than:	100%	100%	100%	100%
<ul style="list-style-type: none"> • written assessments in a specified format • verification process specified • required information provided where available • clear statement of recommendations consistent with the law. 				
The percentage of reports to the New Zealand Parole Board provided to the following standards to be no less than:	100%	100%	100%	100%
<ul style="list-style-type: none"> • written assessments in a specified format • verification process specified • required information provided where available • clear statement of recommendations consistent with the law. 				
Timeliness				
The percentage of health assessments provided within deadlines to be no less than:	new measure	new measure	new measure	100%
The percentage of applications to courts made in accordance with departmental timeframes to be no less than:	100%	100%	100%	100%
The percentage of applications to the New Zealand Parole Board provided within deadlines agreed with the Board to be no less than:	62%	100%	100%	100%

OUTPUT CLASS 2 COMMUNITY-BASED SENTENCES AND ORDERS

This output class provides for the management and delivery of community-based sentences and orders through sentence management and sentence compliance services. Included as part of these services are the sentences of supervision and community work and orders such as home detention, parole, post-release conditions and extended supervision for serious child-sex offenders.

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

It provides for an estimated 42,606 new sentences and orders.

EXPENSES FOR OUTPUT CLASS 2 COMMUNITY-BASED SENTENCES AND ORDERS

For the Year Ending 30 June 2007

Outputs in this output class will be provided within the appropriated sum of \$75.740 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Dept (\$000)
2006/07 SOI	75,740	75,740	75,040	700
2005/06 Supp Estimates	72,467	72,467	72,217	250
2005/06 SOI	67,552	67,552	67,552	-

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 rehabilitative programmes or reintegration services or counselling that addresses their offending.

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of supervision sentences:	5,301	5,000	5,000
Quality			
The percentage of offenders who comply with the special conditions imposed as part of their sentence to be no less than:	81%	68%	68%

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.

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of community work sentences:	27,928	29,000	29,000
Quality			
The percentage of offenders who successfully complete a community work sentence to be no less than:	75%	70%	70%

OUTPUT 2.3 Home Detention Orders



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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of offenders directed to complete a home detention order:	1,515	1,900	2,200
Quality			
The percentage of offenders who abscond from home detention to be no more than:	new measure	2%	2%
The percentage of offenders who comply with the special conditions imposed as part of their order to be no less than:	new measure	80%	80%



OUTPUT 2.4 Parole Orders

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of prisoners directed to complete a parole order:	1,132	1,100	1,100
Quality			
The percentage of offenders who comply with the special conditions imposed as part of their order to be no less than:	75%	65%	65%



OUTPUT 2.5 Orders for Post-release Conditions

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of prisoners released on post-release conditions imposed by the court:	4,652	5,000	5,250
Quality			
The percentage of offenders who comply with the conditions imposed as part of their order to be no less than:	72%	65%	65%

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of offenders commencing an extended supervision order:	21	56	56
The number of offenders subject to an extended supervision order at 30 June:	19	112	168
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:	100%	100%	100%

OUTPUT CLASS 3 CUSTODY OF REMAND PRISONERS

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

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

EXPENSES FOR OUTPUT CLASS 3 CUSTODY OF REMAND PRISONERS

For the Year Ending 30 June 2007

Outputs in this output class will be provided within the appropriated sum of \$95.178 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2006/07 SOI	95,178	95,178	95,178	-
2005/06 Supp Estimates	84,350	84,350	84,350	-
2005/06 SOI	69,031	69,031	69,031	-

OUTPUT 3.1 Custody Of Remand Prisoners

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

Performance Measure	Actual		Performance Standard	
	2004/05	2005/06	2006/07	
Quantity				
The average number of remand prisoners:	1,247 ¹	1,365	1,633 ²	
The number of Public Prisons Service remand prisoners comprises				
• Male remand prisoners:	new measure	new measure	1,509	
• Female remand prisoners:	new measure	new measure	95	
• Remand prisoners in the Young Offenders Units:	new measure	new measure	29	
Quality				
The number of breakout escapes per annum to be:	0	to be reported	to be reported	
The number of all other escapes per annum to be:	0	to be reported	to be reported	

¹ Includes those prisoners who are held in Police and court cells.

² Derived from the Ministry of Justice Prison Population Forecast 10 November 2005.

OUTPUT CLASS 4 ESCORTS AND CUSTODIAL SUPERVISION

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

EXPENSES FOR OUTPUT CLASS 4 COURTS AND CUSTODIAL SUPERVISION

For the Year Ending 30 June 2007

Outputs in this output class will be provided within the appropriated sum of \$9.054 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2006/07 SOI	9,054	9,054	9,054	-
2005/06 Supp Estimates	8,323	8,323	8,323	-
2005/06 SOI	7,319	7,319	7,319	-

OUTPUT 4.1 Escort Services

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

Performance Measure	Actual		Performance Standard	
	2004/05	2005/06	2006/07	2006/07
Quantity				
The number of prisoners escorted to and from court in				
• Northland/Auckland (including Police escorts): ³	32,633	34,400		39,800
• remainder of New Zealand (excluding Police escorts): ⁴	8,918	10,000		9,000
Quality				
The number of escapes by prisoners during escort to and from court:				
	0	to be reported		to be reported

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.

Performance Measure	Actual		Performance Standard	
	2004/05	2005/06	2006/07	2006/07
Quantity				
The number of prisoners supervised in courts in				
• Northland/Auckland: ⁵	8,792	9,400		10,000
• remainder of New Zealand: ⁶	10,515	10,550		10,250
Quality				
The number of escapes by prisoners while they are held in custody at court:				
	0	to be reported		to be reported

³ Provided by Chubb New Zealand Limited.

⁴ Provided by the Public Prisons Service.

⁵ Provided by Chubb New Zealand Limited.

⁶ 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 18 years of age and vulnerable 18- to 19- year-olds will be housed in specialist Young Offenders Units. Also included are the management of other specialist facilities and the Department's drug reduction strategy.

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

EXPENSES FOR OUTPUT CLASS 5 CUSTODIAL SERVICES

For the Year Ending 30 June 2007

Outputs in this output class will be provided within the appropriated sum of \$425.556 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Dept (\$000)
2006/07 SOI	425,556	425,556	420,027	5,529
2005/06 Supp Estimates	369,564	369,564	364,035	5,529
2005/06 SOI	374,557	374,557	369,028	5,529



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.

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The average number of maximum security sentenced prisoners:	62	58	61 ⁷
Quality			
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:	77%	100%	100%
<ul style="list-style-type: none"> • on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action • assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available • the prisoner is placed into the appropriate work/programme • the prisoner attends the allocated work/programme • all information is recorded and filed on the prisoner's file • sentence management plans are reviewed as per the plan. 			
The number of breakout escapes per annum:	0	to be reported	to be reported
The number of all other escapes per annum:	0	to be reported	to be reported

⁷ Derived from the Ministry of Justice Prison Population Forecast 10 November 2005

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.

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The average number of medium security sentenced prisoners:	2,643 ⁸	2,686	2,643 ⁹
Quality			
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:	90%	100%	100%
<ul style="list-style-type: none"> • on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action • assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available • the prisoner is placed into the appropriate work/programme • the prisoner attends the allocated work/programme • all information is recorded and filed on the prisoner's file • sentence management plans are reviewed as per the plan. 			
The number of breakout escapes per annum:	7	to be reported	to be reported
The number of non-returns from temporary release per annum:	0	to be reported	to be reported
The number of all other escapes per annum:	2	to be reported	to be reported

⁸ Includes those prisoners who are held in Police and court cells.

⁹ Derived from the Ministry of Justice Prison Population Forecast 10 November 2005.



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.

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The average number of minimum security sentenced prisoners:	2,417 ¹⁰	2,576	2,754 ¹¹
Quality			
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:	90%	100%	100%
<ul style="list-style-type: none"> • on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action • assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available • the prisoner is placed into the appropriate work/programme • the prisoner attends the allocated work/programme • all information is recorded and filed on the prisoner's file • sentence management plans are reviewed as per the plan. 			
The number of breakout escapes per annum:	2	to be reported	to be reported
The number of non-returns from temporary release per annum:	0	to be reported	to be reported
The number of all other escapes per annum:	6	to be reported	to be reported

¹⁰ Includes those prisoners who are held in Police and court cells.

¹¹ Derived from the Ministry of Justice Prison Population Forecast 10 November 2005.

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.

Performance Measure	Actual		Performance Standard	
	2004/05	2005/06	2005/06	2006/07
Quantity				
The average number of medium security sentenced prisoners:	97	102		104
The average number of minimum security sentenced prisoners:	222	239		214
The average number of female sentenced prisoners:	319¹²	341		318¹³
Quality				
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:				
	73%	100%		100%
<ul style="list-style-type: none"> • on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action • assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available • the prisoner is placed into the appropriate work/programme • the prisoner attends the allocated work/programme • all information is recorded and filed on the prisoner's file • sentence management plans are reviewed as per the plan. 				
The number of breakout escapes per annum:	2	to be reported		to be reported
The number of non-returns from temporary release per annum:	0	to be reported		to be reported
The number of all other escapes per annum:	0	to be reported		to be reported

¹² Includes those prisoners who are held in Police and court cells.

¹³ Derived from the Ministry of Justice Prison Population Forecast 10 November 2005.



OUTPUT 5.5 Male Youth

This output provides for the safe, secure and humane confinement of sentenced male youth prisoners under 18 years of age and vulnerable 18- to 19- year-olds, accommodated in the Department's Young 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	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The average number of medium security sentenced male youth prisoners:	new measure	new measure	82
The average number of minimum security sentenced male youth prisoners:	new measure	new measure	50
The average number of male sentenced youth prisoners held in the Young Offenders Units:	118	125	132¹⁴
Quality			
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:	79%	100%	100%
<ul style="list-style-type: none"> on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available the prisoner is placed into the appropriate work/programme the prisoner attends the allocated work/programme all information is recorded and filed on the prisoner's file sentence management plans are reviewed as per the plan. 			
The number of breakout escapes per annum from Young Offenders Units:	0	to be reported	to be reported
The number of all other escapes per annum from Young Offenders Units:	0	to be reported	to be reported

¹⁴ Derived from the Ministry of Justice Prison Population Forecast 10 November 2005.

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.

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of general random drug screening tests carried out to be no less than:	3,250	3,208	3,744
The number of random drug screening tests carried out on prisoners returning from temporary release to be no less than:	350	561	364
The number of random drug screening tests carried out on identified drug users to be no less than:	1,774	2,119	2,340
The number of other drug screening tests carried out to be no less than: ¹⁵	5,422	6,152	5,638
Quality			
The annual average percentage of general random programme drug screening tests producing a positive result to be no more than:	17%	16%	16%
The annual average percentage of random drug screening tests of prisoners returning from temporary release producing a positive result:	13%	to be reported	to be reported
The annual average percentage of random drug screening tests of identified drug users producing a positive result:	34%	to be reported	to be reported
The annual average percentage of other drug screening tests producing a positive result:	new measure	new measure	to be reported

¹⁵ Other drug screening tests are defined as those undertaken on reasonable grounds or on a voluntary basis.

OUTPUT CLASS 6 PRISONER EMPLOYMENT

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

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

EXPENSES FOR OUTPUT CLASS 6 PRISONER EMPLOYMENT

For the Year Ending 30 June 2007

Outputs in this output class will be provided within the appropriated sum of \$34.063 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2006/07 SOI	34,063	34,063	8,065	25,998
2005/06 Supp Estimates	33,727	33,727	9,229	24,498
2005/06 SOI	30,456	30,456	6,958	23,498

R OUTPUT 6.1 Land-based Activities

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

Performance Measure	Performance Standard		
	Actual 2004/05	2005/06	2006/07
Quantity			
The number of hours worked by prisoners employed in land-based activities:	780,485	774,560	788,190
The number of NZQA unit standards achieved:	new measure	new measure	1,914
Quality			
The number of hours of prisoner employment per NZQA unit standard delivered:	new measure	588	412

OUTPUT 6.2 Manufacturing Activities



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

Performance Measure	Actual		Performance Standard	
	2004/05	2005/06	2005/06	2006/07
Quantity				
The number of hours worked by prisoners employed in manufacturing activities:	883,618	826,260	826,260	826,260
The number of NZQA unit standards achieved:	new measure	new measure		712
Quality				
The number of hours of prisoner employment per NZQA unit standard delivered:	new measure	1,692		1,160

OUTPUT 6.3 Internal Service Self-sufficiency Activities



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

- kitchens and laundry
- cleaning
- prison asset maintenance.

Performance Measure	Actual		Performance Standard	
	2004/05	2005/06	2005/06	2006/07
Quantity				
The number of hours worked by prisoners in internal self-sufficiency activities				
• Public Prisons Service:	1,826,134	2,006,000	2,006,000	2,070,000
• Corrections Inmate Employment:	1,124,906	1,216,125	1,216,125	1,277,460
The total number of hours worked by prisoners in internal self-sufficiency activities:	2,951,040	3,222,125	3,222,125	3,347,460
The number of NZQA unit standards achieved by prisoners engaged in Corrections Inmate Employment activities:	new measure	new measure		1,724
Quality				
The number of hours of prisoner employment per NZQA unit standard delivered, in respect of Corrections Inmate Employment activities:	new measure	1,058		741

R

OUTPUT 6.4 Release to Work

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of hours worked by prisoners on release-to-work activities:	30,350	84,600	112,800

R

OUTPUT 6.5 Vocational Training Services

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of hours prisoners are engaged in vocational training activities			
• Public Prisons Service:	new measure	new measure	23,250
• Corrections Inmate Employment:	new measure	new measure	17,760
The total number of hours prisoners are engaged in vocational training activities:	new measure	new measure	41,010
The number of prisoners who commence training towards the achievement of an externally recognised qualification			
• Public Prisons Service:	1,370	1,180	1,550
• Corrections Inmate Employment:	new measure	new measure	74
The total number of prisoners who commence training towards the achievement of an externally recognised qualification:	new measure	new measure	1,624
Quality			
The percentage of prisoners undertaking training activities conducted by the Department who receive an externally recognised qualification to be no less than ¹¹ :	83%	40%	40%

¹¹ 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.

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of hours worked by prisoners on community service activities:	55,312	68,000	68,000
The average number of prisoners engaged on community service activities:	56	68	68

OUTPUT CLASS 7 REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

This output class provides:

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

EXPENSES FOR OUTPUT CLASS 7 REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

For the Year Ending 30 June 2007

Outputs in this output class will be provided within the appropriated sum of \$47.239 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2006/07 SOI	47,239	47,239	47,239	-
2005/06 Supp Estimates	49,465	49,465	47,969	1,496
2005/06 SOI	47,225	47,225	45,729	1,496

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

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

Performance Measure	Actual		Performance Standard	
	2004/05	2005/06	2006/07	2006/07
SHORT MOTIVATIONAL PROGRAMMES				
Quantity				
The number of hours prisoners spend attending a Short Motivational programme:	new measure	new measure		800
The number of prisoners who start a Short Motivational programme:	new measure	new measure		200
Quality				
The percentage of prisoners who start and complete a Short Motivational programme to be no less than:	new measure	new measure		65%
TIKANGA MĀORI PROGRAMMES				
Quantity				
The number of offenders who start a Tikanga Māori programme				
• Prisoners:	841	1,053		1,053
• Community-based offenders:	416	523		523
Quality				
The percentage of offenders who start and complete a Tikanga Māori programme to be no less than				
• Prisoners:	96%	90%		90%
• Community-based offenders:	71%	65%		65%
FAITH-BASED UNIT				
Quantity				
The number of hours prisoners spend attending a faith-based programme at Rimutaka Prison:	new measure	new measure		6,048
Quality				
The percentage of prisoners who start and complete a faith-based programme at Rimutaka Prison to be no less than:	new measure	new measure		90%

R OUTPUT 7.2 Criminogenic Programmes

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

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
SEX OFFENDER TREATMENT PROGRAMMES			
Quantity			
The number of hours prisoners spend attending a programme at			
• Kia Marama:	12,616	12,500	12,500
• Te Piriti:	12,883	12,500	12,500
The number of prisoners who start a programme at			
• Kia Marama:	40	40	40
• Te Piriti:	40	40	40
Quality			
The percentage of prisoners who start and complete a programme to be no less than			
• Kia Marama:	new measure	new measure	95%
• Te Piriti:	new measure	new measure	95%
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%
<ul style="list-style-type: none"> • norm building • construction of offence chain incorporating challenging cognitive distortion • sexual arousal reconditioning • victim impact and empathy • social skills, relationship skills and sex education • mood, anger and stress management and problem solving • relapse prevention • release planning. 			

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
VIOLENCE PREVENTION PROGRAMMES			
Quantity			
The number of hours prisoners spend attending a violence prevention programme at Rimutaka Prison:	8,007	7,700	7,700
The number of prisoners who start a violence prevention programme at Rimutaka Prison:	30	30	30
Quality			
The number of violence prevention programmes completed at Rimutaka Prison:	3	3	3
The percentage of offenders who start and complete a violence prevention programme at Rimutaka Prison to be no less than:	73%	70%	70%
FOCUS PROGRAMMES			
Quantity			
The number of FOCUS programme hours provided to young offenders:	3,691	4,080	4,080
The number of young offenders who start a FOCUS programme:	181	145	145
Quality			
The percentage of young offenders assessed as appropriate to be engaged in an FOCUS programme who participate in a FOCUS programme:	59%	98%	98%
MĀORI THERAPEUTIC PROGRAMMES			
Quantity			
The number of hours prisoners spend attending Māori therapeutic programmes:	2,728	14,000	12,600 ¹⁷
The number of prisoners who start a Māori therapeutic programme:	20	140	140
Quality			
The percentage of prisoners who start and complete Māori therapeutic programmes to be no less than:	100%	75%	80%
RELAPSE PREVENTION PROGRAMMES			
Quantity			
The number of offenders who attend a relapse prevention programme:	new measure	new measure	350 ¹⁸

¹⁷ The reduction in hours from 2005/06 takes into account the hours undertaken by those prisoners who start but do not complete the programme.

¹⁸ This figure will increase to 700 as a longer term target.

OUTPUT 7.2 Criminogenic Programmes (Continued)

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
SUBSTANCE ABUSE PROGRAMMES			
Quantity			
The number of hours prisoners spend attending a substance abuse programme in a Drug Treatment Unit:	45,614	59,166	61,689
The number of prisoners who start a substance abuse programme in a Drug Treatment Unit:	145	174	132
Quality			
The percentage of prisoners who start and complete a substance abuse programme in a Drug Treatment Unit:	67%	75%	75%
INTENSIVE CRIMINOGENIC PROGRAMMES			
Quantity			
The number of hours prisoners spend attending an Intensive Criminogenic Programme:	new measure	new measure	6,000
The number of prisoners who start an Intensive Criminogenic Programme:	new measure	new measure	20
Quality			
The percentage of offenders who start and complete an Intensive Criminogenic Programme to be no less than:	new measure	new measure	75%
OTHER CRIMINOGENIC PROGRAMMES			
Quantity			
The number of hours offenders spend attending a criminogenic programme			
• Prisoners:	27,796	35,592	30,600
• Community-based offenders:	36,428	73,190	24,375
The number of offenders who start a criminogenic programme			
• Prisoners:	311	330	387
• Community-based offenders:	513	783	445
Quality			
The percentage of offenders who start and complete a criminogenic programme to be no less than			
• Prisoners:	67%	75%	75%
• Community-based offenders:	71%	65%	65%

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

This comprises:

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

Performance Measure	Actual		Performance Standard	
	2004/05	2005/06	2005/06	2006/07
Quantity				
The number of hours offenders spend attending other rehabilitative programmes funded by Probation and Offender Services:				
	117,911	110,000	110,000	110,000
Quality				
The percentage of offenders who start and complete other rehabilitative programmes funded by Probation and Offender Services to be no less than:				
	53%	65%	65%	65%



OUTPUT 7.4 Education and Training

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

Other general education activities include:

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
National Certificate in Employment Skills			
Quantity			
The number of hours prisoners spend attending a module under the NCES:	132,003	245,269	233,006 ¹⁹
Quality			
The percentage of prisoners who start and complete a module under the NCES to be no less than:	84%	80%	90%
General Education			
Quantity			
The number of hours prisoners spend attending a general education course:	new measure	new measure	97,000
Quality			
The percentage of prisoners who start and complete a general education course to be no less than:	new measure	new measure	90%

¹⁹ The reduction in hours from 2005/06 takes into account the hours undertaken by those prisoners who start but do not complete the module.

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

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
WHĀNAU LIAISON SERVICE			
Quantity			
The number of offenders and their families/whānau receiving the whānau liaison service to be no less than:	267	286	312
Quality			
The percentage of offenders and their families/whānau receiving the whānau liaison service for which an action plan is developed to be no less than:	94%	100%	100%
REINTEGRATIVE SERVICES – as provided by the Public Prisons Service			
Quantity			
The number of hours offenders spend attending a reintegrative programme:	24,575	38,940	36,933 ²⁰
The number of prisoners who start a reintegrative programme delivered by the Public Prisons Service:	new measure	new measure	662
Quality			
The percentage of prisoners who start and complete a reintegrative service delivered by the Public Prisons Service to be no less than:	new measure	new measure	90%
REINTEGRATIVE SERVICES – as provided by the New Zealand Prisoners' Aid and Rehabilitation Society (NZPARS)			
Quantity			
The number of support service hours provided to be no more than:	40,070	42,248	42,248
The number of offenders referred to NZPARS:	new measure	new measure	24,000
Quality			
The percentage of referrals (urgent or otherwise) to NZPARS per month acknowledged within five working days of receipt to be no less than:	98%	95%	95%

²⁰ The reduction in hours from 2005/06 takes into account the hours undertaken by those prisoners who start but do not complete the programme.

R OUTPUT 7.5 Reintegrative Services (continued)

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
REINTEGRATIVE SUPPORT SERVICES – supported accommodation initiatives			
Quantity			
The number of offenders receiving the service to be:	new measure	25	40
Quality			
The percentage of offenders who start and complete a supported accommodation service to be no less than:	new measure	65%	65%

R OUTPUT 7.6 Community Residential Centres

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
COMMUNITY RESIDENTIAL CENTRES			
Quantity			
The number of offenders directed to attend a community residential centre:	68	82	82
The number of psychologist hours provided to Montgomery House:	860	740	740
Quality			
The percentage of offenders who successfully undertake a community residential centre order to be no less than:	87%	60%	60%
The percentage of post-programme assessments for Montgomery House programmes completed by a psychologist to be no less than:	100%	100%	100%

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.

Performance Measure	Actual		Performance Standard	
	2004/05	2005/06	2005/06	2006/07
PSYCHOLOGICAL SERVICES				
Quantity				
The number of psychological consultation hours provided to the				
• Public Prisons Service:	9,609	9,575		10,500
• Community Probation Service:	10,751	11,132		11,400
• Community Probation Service (extended supervision):	23	312		468
The number of psychological reports provided to the				
• Public Prisons Service:	975	812		885
• Community Probation Service:	1,089	916		916
Quality				
The percentage of psychological consultations that meet the following standards to be no less than:				
	100%	95%		95%
<ul style="list-style-type: none"> • a structured offender assessment interview is conducted • confidentiality and consent issues are explained • relevant history is obtained • assessment measures are used (as appropriate) • problems are presented clearly formulated • treatment goals are specified (addressing assessed problems) • appropriate interventions are used (based on current literature) • adequate case notes are recorded for all sessions • records are kept of ongoing measures or observations to monitor interventions • assessment and treatment reports are completed and delivered. 				
The percentage of psychological reports that meet the following standards to be no less than:				
	100%	95%		95%
<ul style="list-style-type: none"> • concise, logical and grammatically correct • source and reason for referral are clearly stated • all relevant and appropriate information is included • sources of information are well documented and verified • clear statements of recommendations for further interventions • complies with the Psychologists' Code of Ethics. 				

R OUTPUT 7.7 Provision of Psychological Services (continued)

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
BICULTURAL THERAPY MODEL			
Quantity			
The number of consultation hours provided by Māori service providers under the Bicultural Therapy Model:	3,897	4,000	4,000
The number of Māori offenders who receive treatment under the Bicultural Therapy Model:	new measure	new measure	to be reported
Quality			
The percentage of Māori service providers who comply with the following standards when delivering consultation hours under the Bicultural Therapy Model to be no less than:	99%	100%	100%
<ul style="list-style-type: none"> • all referrals follow locally agreed referral processes • provider has received induction from the Psychological Service • provider has signed a contract for services • treatment provided is centred around Māori values and beliefs using the principles of kaupapa Māori and nga tikanga Māori • provider is mandated by the relevant Oversight Committee, comprising representatives of local iwi and the Psychological Service • a report is provided to the Psychological Service at the end of each referral. 			

R OUTPUT 7.8 Chaplaincy Services

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of full-time equivalent chaplains in prisons:	32	26	26
Quality			
The percentage of chaplaincy services delivered in accordance with the service description to be no less than:	new measure	100%	100%

OUTPUT CLASS 8 SERVICES TO THE NEW ZEALAND PAROLE BOARD

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

EXPENSES FOR OUTPUT CLASS 8 SERVICES TO THE NEW ZEALAND PAROLE BOARD

For the Year Ending 30 June 2007

Outputs in this output class will be provided within the appropriated sum of \$5.488 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2006/07 SOI	5,488	5,488	5,488	-
2005/06 Supp Estimates	5,488	5,488	5,488	-
2005/06 SOI	5,537	5,537	5,537	-



OUTPUT 8.1 Services to the New Zealand Parole Board

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of hearings by the New Zealand Parole Board to be to be no less than:	8,971	8,000	8,900
Quality			
The percentage of offenders or victims notified of an impending hearing at least 10 working days before a hearing to be no less than:	100%	95%	95%
The percentage of offenders or victims notified of a Board decision within 10 working days after a hearing to be no less than:	95%	95%	95%
The percentage of papers for home detention (deferred sentences) hearings provided to the Board at least five working days before a hearing to be no less than:	97%	95%	95%
The percentage of all other papers for each hearing provided to the Board at least 10 working days before a hearing to be no less than:	95%	95%	95%
The scheduling of cases to be heard by the Board to be within the timeframe specified in the Parole Act 2002 to be no less than:	100%	100%	100%

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.

EXPENSES FOR OUTPUT CLASS 9 POLICY ADVICE AND DEVELOPMENT

For the Year Ending 30 June 2007

Outputs in this output class will be provided within the appropriated sum of \$5.403 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2006/07 SOI	5,403	5,403	5,403	-
2005/06 Supp Estimates	5,403	5,403	5,403	-
2005/06 SOI	5,309	5,309	5,309	-



OUTPUT 9.1 Policy Advice and Development Services

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quality			
The percentage of advice provided according to a work programme agreed with the Minister of Corrections:	100%	100%	100%
Advice delivered to the Minister of Corrections will be in accordance with the following quality standards:	100%	100%	100%
<ul style="list-style-type: none"> • the aims of the paper have been clearly stated and answer the questions that have been set • the assumptions behind the advice are explicit, and the argument is logical and supported by the facts • the facts in the paper are accurate and all material facts have been included • an adequate range of options has been presented and each has been assessed for benefits, costs and consequences to the Government and the community • there is evidence of adequate consultation with interested parties and possible objections to proposals have been identified • the problems of implementation, technical feasibility, timing and consistency with other policies have been considered • the format meets Cabinet Office requirements, the material is effectively and concisely summarised, has short sentences in plain English and is free of spelling or grammatical errors. 			
Timeliness			
Policy advice will be delivered within the specific reporting deadlines agreed with the Minister of Corrections:	100%	100%	100%

OUTPUT 9.2 Ministerial Servicing



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

Performance Measure	Performance Standard		
	Actual 2004/05	2005/06	2006/07
Quantity			
The number of responses to be prepared to Ministerial correspondence:	481	600	600
The number of responses to Parliamentary questions:	450	700	700
Quality			
The percentage of replies returned for redrafting not to exceed:	15%	10%	10%
All responses signed out by either a general manager or, in his or her absence, an appropriate manager to be no less than:	100%	100%	100%
Timeliness			
The percentage of responses to Ministerial correspondence completed within the timeframes agreed with the Minister's office to be no less than:	67%	90%	90%
The percentage of responses to Parliamentary questions completed within the timeframes set by the Minister's office to be:	84%	100%	100%

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.

Performance Measure	Performance Standard		
	Actual 2004/05	2005/06	2006/07
Quality			
The percentage of research and evaluation delivered to the agreed project milestones:	88%	100%	100%
The percentage of psychological and other research that is provided to the following criteria contained in the Psychological Service Manual:	100%	100%	100%
<ul style="list-style-type: none"> • the hypothesis/aim of the research is clearly stated; capable of being tested; uses minimal variables; is resourced appropriately • data collection meets appropriate standards of research design, and appropriate analysis tools are used • the results are accurately and clearly described • there is concise and thorough explanation of the implications of the results for the issues investigated • the research is peer reviewed both internally and externally • the report is written in a format appropriate to the audience • the aims of the paper are accurate and all material facts have been included • the material is free of spelling or grammatical errors and an executive summary is provided if the report exceeds five pages • when possible the material is published within internationally recognised journals. 			

OUTPUT CLASS 10 SERVICE PURCHASE AND MONITORING

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

EXPENSES FOR OUTPUT CLASS 10 SERVICE PURCHASE AND MONITORING

For the Year Ending 30 June 2007

Outputs in this output class will be provided within the appropriated sum of \$1.588 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2006/07 SOI	1,588	1,588	1,588	-
2005/06 Supp Estimates	1,589	1,589	1,589	-
2005/06 SOI	1,476	1,476	1,476	-

This output involves the development, management and monitoring of:

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

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
INTER-AGENCY AGREEMENTS			
Quantity			
The number of national-level strategic agreements managed:	new measure	new measure	14
Quality			
The percentage of national-level strategic agreements managed in accordance with the review and reporting provisions to be no less than:	new measure	new measure	100%
Timeliness			
The percentage of national-level strategic agreements that are renegotiated and/or reviewed by the date specified to be no less than:	new measure	new measure	100%


OUTPUT 10.1 Purchase and Monitoring of Service Delivery (continued)

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
COMMUNITY FUNDING CONTRACTS			
Quantity			
The number of community funding contracts negotiated with external providers:	99	110	65
Quality			
The percentage of community funding contracts with a value of \$20,000 (or over) that have performance measures and standards to the following criteria to be no less than:	100%	100%	100%
<ul style="list-style-type: none"> the correct parties to the contract are specifically identified and the parties have legal power to contract and are a legal entity the term of the contract has been identified the price is identified in the schedule of the contract the payment regime is specified the format and dates of reporting requirements are stated the mechanism for resolving disputes is stated the programme is clearly described (including programme aims, content and delivery process) the contract is legal. 			
Timeliness			
The percentage of community funding contracts with values of \$20,000 (or over) agreed and in place by the agreed date to be no less than:	100%	95%	95%
CONTRACTS WITH COMMUNITY RESIDENTIAL CENTRES			
Quantity			
The number of contracts between Probation and Offender Services and community residential centres:	3	3	3
Quality			
The percentage of contracts for services with community residential centres that meet the following standards to be no less than:	100%	100%	100%
<ul style="list-style-type: none"> services are clearly described performance measures and standards are specified price and payment regime is specified (including incentives as appropriate) format and dates of reporting requirements are specified. 			
Timeliness			
The percentage of contracts for services with community residential centres that are regularly reviewed and reported on in terms of the following criteria to be no less than:	100%	100%	100%
<ul style="list-style-type: none"> the procedures are being followed service delivery and performance measures are as specified the quality of service delivery and performance is as specified the manner, timing and form of reporting are as laid down. 			

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

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of inspections in the inspectorate work programme as approved by the Assurance Board:			
• routine visits:	96	100	100
• special investigations:	12	20	20
Quality			
The percentage of inspections that are carried out to the following criteria to be no less than:			
• to a quality that satisfies the Department's Assurance Board	100%	100%	100%
• according to the guidelines and standards of the New Zealand Institute of Internal Auditors			
Timeliness			
All reports on routine inspection visits will be completed within one month of the visit:			
	98%	100%	100%
All special reports will be completed within the time period agreed in the terms of reference for the investigation:			
	98%	100%	100%


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.

Performance Measure	Actual	Performance Standard	
	2004/05	2005/06	2006/07
Quantity			
The number of national systems maintained:	new measure	17	18
The number of service descriptions maintained:	new measure	47	47
The number of applications for inclusion on the Victim Notification Register:	new measure	600	600
The number of personal records established for prisoners:	new measure	to be reported	to be reported
The number of decisions on offender management made under specified statutory delegations:	new measure	1,000	1,000
Quality			
The percentage of national systems and service descriptions that comply with legislation:	new measure	100%	100%
The number of justified complaints by victims:	new measure	to be reported	to be reported
The percentage of offender records established in accordance with the agreed procedures:	new measure	100%	100%
The percentage of offender management decisions made that are not overturned on review:	new measure	97%	97%
Timeliness			
The percentage of national systems and service descriptions that are reviewed as scheduled:	new measure	100%	100%
The percentage of applications for inclusion on the Victim Notification Register processed within 10 working days of being received:	new measure	100%	100%
The percentage of offender records established within 10 working days of reception to prison:	new measure	100%	100%
The percentage of offender management decisions made within specified timeframes:	new measure	100%	100%

APPENDIX

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 escape	An 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 order	An order of parole, release on conditions, home detention or extended supervision.
Community-based sentence	A sentence of supervision or community work.
Community Residential Centre	An 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 needs	The 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.
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.
FOCUS	A structured programme provided in specialist Young Offenders Units targeting criminogenic factors using cognitive-behavioural and social learning theory principles.
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.
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.
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 21 years of age or over.
Pua Wananga	Focal point for the delivery of programmes and interventions at the Northland Regional 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 a custodial sentence or commencement of a community-based sentence.
Rehabilitation Quotient	Measures the effectiveness of rehabilitative and other interventions in reducing re-offending.
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.
Relapse Prevention Programme	A group-based programme with content designed for open or rolling membership targeting those offenders who complete the medium intensity multiple needs criminogenic programme and the intensive criminogenic programme as well as those delivered in Violence Prevention Units and Māori Therapeutic Programmes.
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 Programme	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 and includes the Tikanga Māori programme.
Short Motivational Programme	A structured four-session intervention delivered to individual prisoners by a single facilitator using therapeutic techniques of motivational interviewing with the aim to engage offenders to move on to a therapy-based programme.
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.
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.
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.
Tikanga Māori	Māori customs.

PRIDE

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 Maori

Contributing to reducing re-offending

Enhancing capability and capacity

