

DEPARTMENT OF CORRECTIONS

ANNUAL REPORT

1 JULY 2003 - 30 JUNE 2004





VISION

To focus on our primary outcome of

Safer Communities by

Protecting the Public and

Reducing Re-offending through

People Performance Quality

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



KAUPAPA

Kotahi ano te kaupapa; ko te oranga o te iwi

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

DEPARTMENT OF CORRECTIONS

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PRESENTED TO THE
HOUSE OF REPRESENTATIVES
PURSUANT TO SECTION 39 OF THE
PUBLIC FINANCE ACT 1989



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

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

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

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

FOREWORD

In accordance with section 39 of the Public Finance Act 1989, I submit the following report on the operations of the Department of Corrections for the period 1 July 2003 to 30 June 2004. This includes audited financial statements and covers the Department's administration of the Penal Institutions Act 1954 (and the Penal Institutions Regulations 2001), the Sentencing Act 2002 and the Parole Act 2002.

Mark Byers

Chief Executive

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LIST OF ACRONYMS

ACC Accident Compensation Corporation

ACRP Auckland Central Remand Prison

CIE Corrections Inmate Employment

CMRI Crown–Māori Relationship Instruments

CMS Case Management System

CPS Community Probation ServiceDOC Department of Conservation

EEO Equal Employment Opportunities

ESOL English for Speakers of Other Languages

FTE Full-time Equivalent
HR Human Resources

IOMS Integrated Offender Management System

IT Information Technology

NCEA National Certificate of Educational Achievement

NCES National Certificate in Employment Skills

NZPARS New Zealand Prisoners' Aid and Rehabilitation Society

NZQA New Zealand Qualifications Authority

OSH Occupational Safety and Health

PECCS Prisoner Escort and Courtroom Custodial Services

PFNZ Prison Fellowship of New Zealand

PPS Public Prisons Service
PS Psychological Service

RI Recidivism Index

RQ Rehabilitation Quotient

SBP Strategic Business Plan

TBL Triple Bottom Line



CHIEF EXECUTIVE'S OVERVIEW

LAST YEAR'S ANNUAL REPORT SIGNED OFF ON A PERIOD OF MAJOR DEVELOPMENT SINCE THE ESTABLISHMENT OF THE DEPARTMENT OF CORRECTIONS IN 1995.
THIS ANNUAL REPORT IS THE FIRST REPORT AGAINST THE DEPARTMENT'S FIVE-YEAR STRATEGIC BUSINESS PLAN 2003 – 2008. THIS PLAN FOCUSES ON CONSOLIDATING THE GAINS THAT HAVE BEEN MADE AND IMPROVING THE QUALITY OF WHAT WE DO, WITH FUTURE DEVELOPMENTS TO BE BASED ON THE PLATFORM THAT HAS BEEN ESTABLISHED.

The Strategic Business Plan introduced a new set of corporate statements for the Department. A number of initiatives during the year have reinforced these statements so that they do not remain words alone but reflect a common ethos to support our work. Examples have included the professional ethics project implemented in the Public Prisons Service, the inclusion of the values in the competencies underpinning the performance management system and continuing to give them prominence.

During the year the Government made a number of decisions as a result of an Output Pricing Review, which was conducted to determine the appropriate funding required to sustain the medium to long-term delivery of departmental outputs. Initiatives implemented in the past year, and extended for future years, have seen an increase in the number of Probation Officers and psychologists. Additional funding is also allowing an increased focus on training and development for staff and managers, an essential investment to build the people capacity required to sustain and extend the Department's performance. Other decisions implemented for the past year have included increased resources to maintain our information technology capability and for the New Zealand Parole Board to cater for increased caseloads.

An important milestone during the year was the passage of the Corrections Act. The new Act, which comes into force in 2005, identifies principles that should guide the future development of corrections services and allows more effective management practices to evolve. Of note also is the incorporation in primary legislation of offenders' basic rights and entitlements.

The Department still faces a number of challenges. Rising numbers of offenders, both in prison and on community-based sentences, means pressure on staff and facilities. Although an extensive project is under way to provide additional prison capacity, the prison population is continuing to rise significantly faster than forecast by the Ministry of Justice. The additional demands placed on the Department may have implications for the quality of service delivered.

The Department collects an extensive range of performance information to monitor that offenders are managed in a safe, secure and humane manner. Some of this information is benchmarked against information from comparable overseas jurisdictions, and has generally shown the Department to be performing very creditably. Last year we presented a fuller range of this information and have done so again this year. It might be expected that trends in such things as incident rates over several years will reveal some of the impacts of a rising offender population in pressured circumstances.

A vital component of the Department's work is the range of rehabilitative and reintegrative initiatives that are designed to modify offenders' behaviour. During the year the Department put in place a new delivery structure to manage many of the core programmes for offenders. At the end of the year the new business unit - Intervention Services - became responsible for the delivery of core interventions to offenders in prisons and the community.

The Department continues to be an organisation that is performing strongly in a challenging, often contentious, and sometimes negative environment. Thanks to the ongoing efforts of staff and managers the Department is succeeding in its work and is strongly placed for further success and continued improvement in the future.

This is my last Annual Report after over nine years as Chief Executive. During my tenure the Department has experienced major change and is now a significantly different place. However, as always, there remains more to be done.

It has been a privilege to head the Department of Corrections over this period. All that has been achieved is a result of dedication, professionalism and the efforts of our people. It is through their personal courage, support and ability to cope with demanding circumstances that we have made progress.

I salute them for their commitment and wish them and the Department well in their future endeavours.

Mark Byers

Chief Executive



PART 1 STRATEGIC CONTEXT



PART 1 – STRATEGIC CONTEXT

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INTRODUCTION

The Annual Report describes achievement against the Department's strategic goals and key deliverables, outputs and performance measures as outlined in the Statement of Intent 2003/04. This is the first document that reports against the Department's Strategic Business Plan 2003 – 2008.

The Annual Report is divided into three parts.

Part 1 sets out the strategic context within which the Department operates. It outlines the Department's purpose and strategic direction, including the principles guiding the corrections system and the outcome framework for the Department within the justice sector. Part 1 covers environmental issues, the future direction for the Department, the Department's approach to managing offenders, strategies to mitigate against identified risk areas, details of the key initiatives delivered during 2003/04 and information on how well the Department is achieving its two outcomes of protecting the public and reducing re-offending.

Part 2 includes a summary of the financial statements and performance against the outputs as outlined in the *Statement of Intent 2003/04*. This section has been prepared to meet the requirements of the Public Finance Act 1989.

Part 3 provides an outline of the Department's approach to the introduction of triple bottom line reporting, details the initiatives undertaken by the Department during 2003/04 to reduce inequalities and provides a range of additional information about the Department's structure, service delivery, advisory mechanisms and ancillary matters.

PURPOSE AND PRINCIPLES GUIDING THE CORRECTIONS SYSTEM

THE PURPOSE AND PRINCIPLES GUIDING THE CORRECTIONS SYSTEM ARE SET OUT IN THE CORRECTIONS ACT 2004.¹

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 communitybased 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 principal legislation and regulations made under this legislation that are based, amongst other matters, on the United Nations Standard Minimum Rules for the Treatment of Prisoners; and
- assisting in the rehabilitation of offenders and their reintegration into the community, where appropriate, and as so far as is reasonable and practicable in the circumstances and within the resources available, through the provision of programmes and other interventions; and
- providing information to the courts and the New Zealand Parole Board to assist them in decision-making.

PRINCIPLES GUIDING CORRECTIONS SYSTEM

The principles that guide the operation of the corrections system are listed below.

• 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 in the circumstances, and to the extent that this contact is consistent with safety and security requirements.

The Corrections Bill was enacted on 3 June 2004 and is expected to come into force on 1 May 2005.

DEPARTMENT'S STRATEGIC FOCUS

THE GOVERNMENT HAS DETERMINED SIX KEY GOVERNMENT GOALS TO GUIDE THE PUBLIC SECTOR IN ACHIEVING SUSTAINABLE DEVELOPMENT AND PROVIDE THE OVERALL FRAMEWORK IN WHICH THE JUSTICE SECTOR OPERATES.

The six key government goals are to:

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

Corrections contributes directly to four of these goals, as illustrated in the diagram on page 16.

The diagram below summarises this section of the report by showing the overall relationship between the key external influences, the Department's outcomes and the themes that guide its work.



In early 2003, the Department, in conjunction with the other core agencies of the justice sector, developed two sector end outcomes of safer communities and a fairer, more credible and more effective justice system.

The justice sector's end outcomes reflect the importance of crime reduction priorities and ensuring the justice system continues to meet the needs of society. These end outcomes will assist the Government in achieving its key goals.

The sector has completed initial development of specific intermediate outcomes that sit under each of the end outcomes. (Refer to the *Statement of Intent 2004/05* for a list of the justice sector end and intermediate outcomes). The sector will monitor and periodically report progress towards the achievement of the intermediate outcomes.

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

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. To do this the Department supplies:

- a risk and needs assessment for offenders to determine how best to address offending behaviour
- programmes to encourage offenders to address their offending behaviour

- programmes to address offenders' offence-related needs
- education
- · training
- work experience
- assistance with accessing community services so that offenders can be successfully integrated back into society and thereby provide offenders with the opportunity to participate positively in society.

The Department's strategic direction contributes to the justice sector end outcome of a fairer, more credible and more effective justice system through:

- the effectiveness of the Department's interventions
- operating in a way that is consistent with its agreed purpose and principles, thereby contributing to improved perceptions about the fairness of the justice system.

Table 1 shows how the Department's outcomes of **protecting the public** and **reducing re-offending** contribute towards the achievement of the justice sector end and intermediate outcomes and support the key government goals.

TABLE 1: LINKAGES BETWEEN CORRECTIONS' OUTCOMES AND KEY GOVERNMENT GOALS

■ KEY GOVERNMENT GOALS

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

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

Maintain Trust in Government and Provide Strong Social Services

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

Reduce Inequalities in Health, Education, Employment and Housing

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

Improve New Zealanders' Skills

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

■ JUSTICE SECTOR END OUTCOMES

Safer communities

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

A fairer, more credible, and more effective justice system

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

■ JUSTICE SECTOR INTERMEDIATE OUTCOMES

Reduced

- youth offending
- offending by Māori
- violence
- family violence
- burglary
- · organised crime
- · serious traffic offending
- theft of and from cars.

Improved

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

■ DEPARTMENT'S OUTCOMES

Protecting the Public

Reducing Re-offending



ENVIRONMENTAL CONTEXT

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. THE KEY FACTORS AND THEIR IMPLICATIONS ARE SET OUT IN THIS SECTION.

Demographic information is based on census data from Statistics New Zealand, the prison population and the Community Probation Service new starts forecasts that are based on data released by the Ministry of Justice in December 2002. The revised prison population forecast released by the Ministry of Justice in December 2003 is also included.

DEMOGRAPHIC TRENDS

New Zealand's population is expected to increase steadily over the coming decades, rising to 4.5 million by 2021. The population will get older, with the median age increasing from 35 at present to 40 by 2021. These changes will not be uniform and will vary from region to region and across different ethnic groups.

- Most of the growth in population during the period to 2021 will occur in the top half of the North Island, with Auckland projected to experience the largest numerical increase and the highest rate of growth.
- The Māori population is projected to reach 749,000 by 2021, at which point Māori will constitute 17 percent of the population.
- The median age for Māori will rise, but continue to be significantly lower than that of non-Māori.
- Pacific peoples will constitute 9
 percent of the population by
 2021, rising from the current
 level of 7 percent.

PRISON POPULATION TRENDS

New Zealand has a higher rate of imprisonment per 100,000 of population than other comparable countries. This can be seen from Table 2.

In December 2003, the Ministry of Justice released its revised forecast of the prison population through to 2010. This forecast indicates that the number of sentenced inmates would increase from a projected 5,090 for the 2003/04 year to 5,960 in 2010, and inmates on remand from 1,120 for the 2003/04 year to 1,380 in 2010. However, muster levels over the first six months of 2004 have risen more sharply than predicted, which has resulted in serious muster pressure within prisons. It is unclear whether this upswing in numbers is a transitory phenomenon or is enduring as a result of recent factors (for example, the Parole Act 2002).

TABLE 2: IMPRISONMENT PER 100,000 OF POPULATION (2002/03)

New Zealand	Canada	Australia	England & Wales	Scotland	
146	116	113	136	128	

RE-OFFENDING AND IMPRISONMENT

There is a strong connection between rates of re-offending and rates of imprisonment.

The census of prison inmates carried out in November 2003 showed that for male sentenced inmates, only 21 percent had no previous sentences, 66 percent had more than 10 previous sentences and 16 percent had over 50 previous sentences. The corresponding percentages for female inmates were 34 percent, 44 percent and 16 percent. Sixty percent of male and 38 percent of female inmates had served a previous custodial sentence.

For males sentenced to community-based sentences, 26 percent had no previous criminal convictions, 52 percent had at least six previous convictions and 24 percent had more than 20 previous convictions.

The Department's Recidivism Index quantifies the rate of re-offending over a specified period following an offender's release from a custodial sentence, or after commencing a community-based sentence.

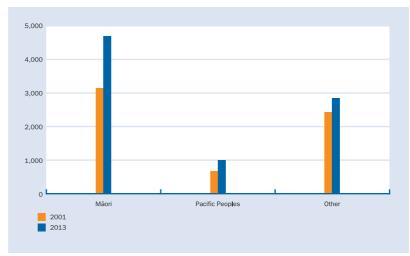
Table 3 shows the percentage of offenders reconvicted or re-imprisoned over the 12-month period immediately following release from prison or commencement of a community-based sentence.

More information about recidivism is detailed on pages 36 to 41.

TABLE 3: RATES OF RECONVICTION AND RE-IMPRISONMENT

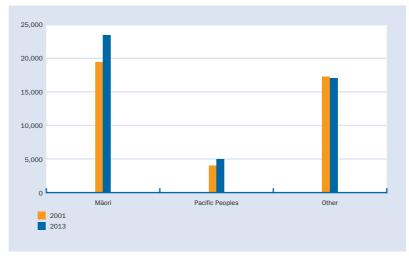
Period	Released from prison		Released from prison Commenced community-based sentence	
	re-imprisoned %	reconvicted %	re-imprisoned %	reconvicted %
2001/02	26.1	42.1	7.2	28.6
2002/03	28.0	42.3	8.6	34.0

FIGURE 1: FORECAST INMATE NUMBERS BY ETHNICITY



2013 Forecast using Ministry of Justice court conviction data

FIGURE 2: FORECAST CPS NEW STARTS BY ETHNICITY



2013 Forecast using Ministry of Justice court conviction data

ETHNICITY

Māori and Pacific peoples are disproportionately represented in the criminal justice system and, therefore, in the offender groups that Corrections manages. This trend is expected to continue as a result of the higher proportions of Māori and Pacific peoples in the 15–24-year-old age range, which is the group that statistics indicate is most likely to offend.

Over the next decade, the number of offenders of Māori and Pacific peoples' ethnicity is projected to increase disproportionately in both custodial and community-based sentences.

By 2013, Public Prisons Service (PPS) inmate numbers are forecast to grow by 1,693 for Māori, 332 for Pacific peoples and 425 for other groups. By 2013, Community Probation Service (CPS) new starts are forecast to grow by 4,349 for Māori and 1,270 for Pacific peoples but decline by 303 for other groups.

GENDER

The majority of offenders managed by the Department are male. As at 30 June 2004, 94 percent of all prison inmates and 81 percent of those serving community-based sentences were male.

While it is projected that the number of female offenders will increase significantly in the period to 2010, the overall ratio between male and female offenders will remain approximately the same.

Any increase in female offending, however, will raise particular issues, especially in terms of the facilities and services required to house female offenders, and the impact that increased offending may have upon their dependant children.

REGIONAL TRENDS

Regional trends in offending are expected to reflect overall trends in population growth. As already noted, the greatest population growth will occur in the northern part of the North Island, and it is expected that these trends will be reflected in the numbers of regional prison inmates and community-based sentences.

YOUNG OFFENDERS

The age at which young offenders first enter the criminal justice system is significant.

The census of prison inmates conducted in 2003 shows that 60 percent of male and 40 percent of female inmates received their first sentence between the ages of 14 and 19 years.

An analysis carried out in June 2004 of 24,906 offenders serving community-based sentences indicated that 1,922 male offenders, and 335 female offenders, were aged 20 years or under. More than half of all offenders on community-based sentences were under the age of 30 years.

Studies have shown that during a lifetime of offending the average chronic offender will cost taxpayers and victims more than \$3 million, while the most chronic and serious adult offenders will cost more than \$5 million. Consequently, successful rehabilitation of high-risk, young offenders, which 'shuts down' a lifetime of offending, has the potential to return greater social and fiscal benefits than any other area of investment in rehabilitation.

DRUGS AND ALCOHOL

The negative effects of drugs and alcohol have been shown to be closely related to crime and proven to be a significant factor in further offending.

For many offenders, abuse of drugs and/or alcohol is an important component in the sequence of events leading to the commission of an offence. Assessments undertaken by the Department have revealed that the use of alcohol and drugs was a significant factor in the offending of 73 percent of inmates sentenced to prison, and 61 percent of offenders serving community-based sentences.

VIOLENCE

There was a 7 percent growth in the number of cases resulting in a custodial sentence for violent/sexual violence offences between 1994 and 2003. Violence is now the second most prevalent offence of reconviction and re-imprisonment (behind property offences) and an increasing cause of public concern.

The 2003 census of prison inmates shows that:

- 59 percent of male sentenced inmates and 39 percent of female sentenced inmates were in prison for violent or sexual violence offences;
- sexual attacks, robbery, grievous assault and homicide were the most common types of violent offences to result in custodial sentences; and
- 24 percent of male sentenced inmates and 17 percent of female sentenced inmates with a current most serious offence of violence had an immediate prior sentence also with a most serious offence of violence (the term violence used here excludes sexual violence).

An analysis undertaken in June 2004 indicated that 18 percent of male offenders, and 9 percent of female offenders, were serving community sentences where their most serious offence was violence.

IMPLICATIONS

In undertaking the safe, secure and humane management of offenders, and ensuring compliance with, and the correct administration of, sentences and orders, the Department recognises and responds to the particular requirements and challenges of the environment in which it is operating and the factors that directly influence its operations.

This encompasses the effective management of young offenders, an increased focus on the management of women inmates and the appropriate management of inmates serving longer sentences.

There will also be a continuing focus on effectively addressing the needs of Māori offenders given the forecast for continuing disproportionate representation of Māori in the criminal justice system.

The Department will address issues associated with re-offending through the implementation of strategies designed to improve outcomes for Pacific peoples.

To break the cycle of offending, initiatives have been developed to address some of the key causes of offending, including violence and the impact of alcohol and drugs; there is also interest in examining options to reduce intergenerational offending.

The Government's regional prisons policy will ensure that the Department has facilities in place to accommodate the predicted increases in inmate numbers overall, and ongoing trends in the geographic location of those offenders.

STRATEGIC BUSINESS PLAN 2003–2008

In 2003 the Department launched its latest *Strategic Business Plan* 2003 – 2008 setting the strategic direction for the organisation to 30 June 2008. The *Māori Strategic Plan* 2003 – 2008, *Pacific Strategy* 2002 – 2005 and four operational strategies support the *Strategic Business Plan*.

The focus of the *Strategic Business Plan* is on consolidating the gains that have been made over the previous eight years and on continuing to refine what the Department does and how it goes about achieving its results. This annual report details the key initiatives achieved during the first year of this long-term plan.

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

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

The *Pacific Strategy* is designed to assist the Department to focus and direct its activities and efforts to areas most likely to produce positive outcomes for Pacific peoples in New Zealand.

The Pacific Strategy recognises that:

- programmes for Pacific offenders are likely to be most effective if they are delivered by a Pacific person from a Pacific perspective, and by using Pacific concepts and values
- Pacific peoples Corrections staff, providers and communities – are at the centre of the Department's approach to manage appropriately and reduce re-offending by Pacific offenders. The Department will

invest in the development of its Pacific staff to ensure the longterm success of this strategy for reducing re-offending by Pacific offenders.

The four operational strategies guide the development of capabilities to support the Department's strategic direction. Information Technology will enhance the Integrated Offender Management System. Facilities and Infrastructure will continue to implement the regional prisons policy. Human Resources Management will concentrate on developing the people that the Department needs, if it is to achieve its goals. Communications will be used to increase understanding and support, both internally and externally, for the Department's strategic direction.

OUTPUT PRICING REVIEW

In 2002, the Government agreed that the Department should conduct an Output Pricing Review. This review, carried out in conjunction with the Treasury and the State Services Commission, was to determine the appropriate processes required to sustain the delivery of the Department's outputs in the medium to long-term.

Key results from the review have seen initiatives approved by the Government during the year, with associated funding increases, to:

- enhance the investment in training and development for staff and managers
- increase the number of Probation Officers, together with improved training programmes for them
- develop risk assessment processes for inmates
- carry out additional property maintenance

- provide ongoing support for the Department's information technology platform and infrastructure
- improve health services for inmates.

Prior to 2003/04, the Government had already approved, as a result of the review, additional resources for the Psychological Service and the New Zealand Parole Board to cater for increased workloads.

APPROACH TO MANAGING OFFENDERS

THE DEPARTMENT MANAGES OFFENDERS THROUGH AN INTEGRATED APPROACH THAT APPLIES ACROSS ALL SENTENCE TYPES, SENTENCE LENGTHS AND LOCATIONS.

This integrated approach 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, followed by reintegrative services to prepare for release into the community. For lower-risk offenders, provision of those reintegrative services is the key focus.

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

Offenders, depending on their risk status and criminogenic needs, will receive interventions from the range as outlined in Table 4

TABLE 4: INTERVENTIONS IN THE MANAGEMENT OF OFFENDERS

SERVING A SAFE SENTENCE

"At risk" assessments

Safe, secure and humane containment

Criminogenic and other needs assessments
Security classification
Constructive activities
Drug and alcohol strategy/drug testing
Provision of a safe environment for staff and public
Safe, secure and humane management of offenders

EQUIPPING FOR SELF-SUFFICIENCY

Education and employment

Basic numeracy and literacy skills National Certificate of Employment Skills Vocational training and experience Education for youth

Access to more advanced education

AIMING TO CHANGE BEHAVIOUR

Sentence compliance in the community

Responsivity/Motivational

Straight Thinking Tikanga Māori programmes Motivational interviewing Faith-based unit Chaplaincy

Rehabilitation

Violence Prevention

Alcohol and drug abuse programmes
Violence prevention programmes
Generic rehabilitative programmes
Making our Drivers Safer programmes
Cultural supervision
Bicultural therapy
Māori therapeutic programmes
Youth unit programmes
Treatment by psychologists
Special treatment units – Drug and Alcohol, Sex Offender,

REMOVING BLOCKAGES TO REMAINING OFFENCE-FREE

Reintegration

Employment

Basic living skills Parenting

Budgeting

Self-care units

Links to community support services

Day release/work release

Home leave

Relapse prevention programme

Involve family/whanau, hap $\bar{\mathbf{u}}$ and iwi in reintegration plans

Tailored to meet the needs of different cultural groups, specially focused on the needs of young people, and women

Victim empathy

Offenders as victims

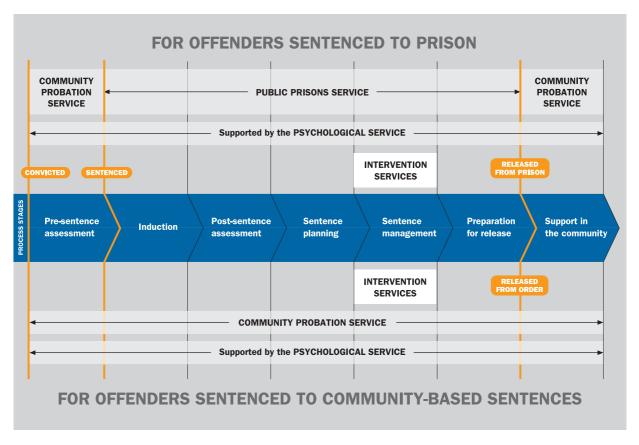
The design of the interventions and associated business processes has been based on studies of 'what works with offenders' both internationally and in New Zealand,² and takes into account the New Zealand environment, nature and characteristics of the offending population. Unfortunately, there is no 'one-size-fits-all' solution. The best results are achieved when the right person receives the right intervention, in the right situation, at the right time – and gets good support from community, friends and family for maintaining their new behaviours once their sentence has ended.

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

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

The integrated approach that Corrections uses to offender management is illustrated in Table 5.

TABLE 5: SENTENCE MANAGEMENT PROCESS



² The principles of the psychology of criminal conduct are found in Andrews and Bonta, The Psychology of Criminal Conduct (3rd Edition), 2003. The New Zealand experience is reported in the departmental publications Let there be Light, When the Bough Breaks, Montgomery House Evaluation and Driving Offender Treatment Programme Evaluation.

RISK MANAGEMENT

RISK MANAGEMENT IS AN IMPORTANT COMPONENT OF THE DEPARTMENT'S OPERATIONS. IT IS AN ONGOING REQUIREMENT FOR ALL STAFF TO IDENTIFY AND ADDRESS RISK THAT MAY IMPACT ON THE ACHIEVEMENT OF THE DEPARTMENT'S OBJECTIVES AND DELIVERY OF SERVICES.

The Department maintains processes for the monitoring of internal control, and control frameworks are clearly communicated to staff through promulgated policies and procedures. Continued emphasis is placed on the education, training and development of staff to ensure that risk management is an integral part of the Department's culture.

Table 6 lists areas of risk addressed by the Department during the 2003/04 financial year.

TABLE 6: RISK AREAS ADDRESSED DURING 2003/04

Risk Area	Mitigating Strategies
Delivery of existing and expected volumes within current funding	Progressing the Output Pricing Review
Effective management of high-risk offenders	Implementation of policies for the identification, notification and management of high-risk offenders
Cost, timeframe and commissioning issues for the Regional Prisons Development Project	Ongoing project monitoring and assurance activities
Performance requirements for Corrections Inmate Employment	Ongoing monitoring and review of operations
Sufficient staff capability and capacity to deliver effective offender management successfully as specified	Resources dedicated to: training and development of staff and monitoring achievement of standards recruitment campaigns
Effectiveness of rehabilitative interventions designed to contribute to reducing re-offending	Development and implementation of specialist rehabilitative programmes
Increased litigation by offenders with consequent issues of public confidence and increased costs	Implementation and ongoing monitoring of national compliance processes for core operational management systems
The integration of Auckland Central Remand Prison into the Public Prisons Service	Implementation project in place

The Chief Executive and the Assurance Board have responsibility for evaluating the Department's internal control system and the effectiveness of the Risk Management framework.

DEPARTMENTAL THEMES

FOUR THEMES ENCAPSULATE THE DEPARTMENT'S RESPONSIBILITIES AND PRIORITY AREAS AND ASSIST STAFF AND MANAGERS TO FOCUS THEIR EFFORTS.

THEME 1: ENSURING EFFECTIVE OFFENDER MANAGEMENT

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

The Department has put in place an integrated approach to the way that offenders are managed across all sentence types, lengths and locations.

The focus in managing offenders effectively now moves to:

- ensuring new processes, tools and procedures are operating as designed, and are consolidating the changes made
- ensuring that services are delivered within business-like principles and that the Department is continually improving business processes and identifying areas for review and redesign
- assessing progress towards achieving outcomes through the use of measures, based on data collected on the results of the Department's own interventions and through comparison with overseas jurisdictions.

THEME 2: IMPROVING RESPONSIVENESS TO MĀORI

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

THEME 3: CONTRIBUTING TO REDUCING RE-OFFENDING

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

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

THEME 4: ENHANCING CAPABILITY AND CAPACITY

To achieve the first three themes Corrections 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.

developed.

KEY INITIATIVES DELIVERED DURING 2003/04

THIS SECTION OUTLINES THE KEY INITIATIVES DELIVERED DURING THE 2003/04 FINANCIAL YEAR. EACH OF THESE INITIATIVES FLOWS FROM THE DEPARTMENT'S *STRATEGIC BUSINESS PLAN 2003–2008* AND THEY ARE PRESENTED UNDER THE FOUR THEMES THAT FORM THE FRAMEWORK OF THE PLAN.

THEME 1 - ENSURING EFFECTIVE OFFENDER MANAGEMENT

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

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

■ KEY INITIATIVES FOR 2003/04 - DELIVERED DURING PERIOD

- Review prison security policies and develop best practice guidelines.
 A review of best practice in prison security has been completed and principles of best practice have been
- Assess opportunities to improve the electronic monitoring of offenders serving community-based sentences.
 The Parole (Extended Supervision) Amendment Act was passed by Parliament in June 2004, and provides for wider use of electronic monitoring upon released offenders. Consideration has been given to using new technology, and the Department is intending to test alternative technologies in 2004/05.
- Implement strategies for improving the management of high-risk offenders, including improved information sharing between agencies.
 - The Corrections Act 2004 includes provisions to implement information sharing between the Department and Police and amendments to the Privacy Act 1993 to reflect the correct community-based sentences implemented by the Sentencing Act 2002. In addition, the Parole (Extended Supervision) Amendment Act 2004 makes provision for information sharing on child sex offenders.
- Continue the implementation of the Department's *Strategy to Reduce Drug and Alcohol Use in New Zealand Prisons*.

Implementation of the Department's *Strategy to Reduce Drug and Alcohol Use in New Zealand Prisons* has continued. Specific initiatives adopted include the following:

- The national strategy for increased drug detection dog teams was adopted by the Department in April 2004. Funding has been provided for the acquisition of three additional dog teams during 2004/05.
- A review of the effectiveness of requiring all inmates to wear overalls during visits funding has been approved for the purchase of additional overalls as a result.
- The implementation of a revised prison entry searching policy for staff.

In addition to these initiatives to strengthen the corrections system's contribution to public safety, the Department agreed to share information with the Police about certain offenders who profile with a very high probability of re-offending. This arrangement contributes to better management of such offenders by the Department and the Police.

Strategy: Implement legislative reforms

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

■ KEY INITIATIVES FOR 2003/04 - DELIVERED DURING PERIOD

- Continue to provide support as required for enactment of new corrections legislation and begin implementation if, and when, passed.
 - Support was provided for the passage of the Corrections Bill, which was enacted on 3 June 2004. An implementation plan has been developed to support this Act, which is expected to come into force on 1 May 2005.
- Review and consolidate changes to both departmental policies and processes arising out of the introduction of the Sentencing Act 2002, the Parole Act 2002, and the Victims' Rights Act 2002.
 - All departmental policies and processes have been revised to comply with the legislation.
- Prepare for the integration of the Auckland Central Remand Prison into the Department, subject to new corrections legislation being passed.
 - The Public Prisons Service has prepared a draft plan for the integration of the Auckland Central Remand Prison into the Public Prisons Service and is currently carrying out preliminary work according to this plan. Following enactment of the Corrections Act 2004, this plan is being finalised and a project manager will be engaged to review and update the plan and oversee the integration project.

A matrix approach to management of the project has been adopted to provide coordination across all affected groups and services within the Department and to monitor performance achieved against key milestones for the transfer of management responsibility.

Strategy: Improve the general health of inmates

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

■ KEY INITIATIVES FOR 2003/04 - DELIVERED DURING PERIOD

- Complete the screening and harm-minimisation pilots and implement initiatives designed to reduce the spread of communicable diseases within prisons.
 - Both the screening and harm-minimisation pilots have been completed. Implementation is dependent upon completion of the evaluations and is planned for 2004/05.
- Continue work with the Ministry of Health to develop an appropriate delivery model for the provision of health services to inmates and complete implementation of recommendations contained in the health review of prisons.
 - Work has continued with the Ministry of Health to develop an appropriate delivery model for the provision of health services to inmates. A Memorandum of Understanding between Corrections and the Ministry of Health has been agreed and will be signed off in 2004/05.
- Continue work with the Ministry of Health to enhance mental health services for prison inmates.
 - National guidelines to enhance mental health services for prison inmates have been developed. Regional Service Level Agreements between the Public Prisons Service and District Health Boards are being negotiated. Consultation with the Ministry of Health is ongoing.

THEME 2 - IMPROVING RESPONSIVENESS TO MĀORI

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

The Department will form relationships with Māori communities that are strategic and mutually beneficial. The nature of these relationships will be focused around the Department's and Māori aspirations for 'wellness and wellbeing'. Partnerships with Māori communities are vital to the provision of effective and responsive services for Māori.

KEY INITIATIVES FOR 2003/04 – DELIVERED DURING PERIOD

• Continue to develop a Kaupapa Māori framework.

Basic research in this area has been completed and development work has been incorporated into the work on the iwi partnership framework.

• Establish more iwi partnership arrangements.

Iwi partnership discussions continued with Tainui, Ngai Tahu and Ngapuhi. Constructive and mutually beneficial relationships have been established and progressed with kaitiaki associated with the new prison facilities either planned or under construction.

Strategy: Enhance intersectoral approaches that will achieve better outcomes for Māori

Corrections wants to build on the opportunities within the work of other agencies to improve overall outcomes for Māori. This will enable Māori to develop goals and aspirations that stretch beyond a sole Corrections focus and enable other agencies to work with Corrections to focus on Māori aspirations.

■ KEY INITIATIVES FOR 2003/04 – DELIVERED DURING PERIOD

• Investigate opportunities for Corrections Inmate Employment to establish joint ventures with Māori.

As part of the commissioning project for the new prisons under development, potential joint ventures have been explored with the respective kaitiaki groups.

The work of Corrections Inmate Employment with Ngāti Rangi Ahu Whenua Trust around the Northland Region Corrections Facility to establish a land-based joint venture has provided a model for future development of these relationships.

Strategy: Include and engage Māori whanau and hapū

The success of the Department's efforts in working with offenders can be enhanced by enabling effective whanau involvement.

• Implement the Whanau Involvement Plan.

All key projects to be implemented during 2003/04 have been completed. The most significant of these projects was consolidation of the existing Whanau Liaison Worker role, which was completed in June 2004. Implementation of the Whanau Involvement Plan will continue during the 2004/05 financial year.

Strategy: Integrate Māori world views into programmes and services

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

■ KEY INITIATIVES FOR 2003/04 - DELIVERED DURING PERIOD

• Implement the Māori Provider Development Strategy.

The two key projects implemented during 2003/04 were:

- The implementation of revised specifications for tikanga Māori programmes. Contracts have been executed by the three national providers, which include the implementation of the new service description.
- Complete policy work on Māori therapeutic programmes. The specifications for these programmes were approved by Corrections management in May 2004.
- Complete the pilot of the Tikanga Māori Programme for Women Offenders and commence implementation subject to the evaluation of the pilot.

The pilot of the Tikanga Māori Programme for Women Offenders was completed. Based on feedback from the pilot, a revised version of the programme was developed for implementation.

• Continue to pilot Māori Cultural Assessment.

The pilot of the Māori Cultural Assessment undertaken in the Auckland and Waikato regions has concluded and the evaluation report has been completed. Preparations are underway for the specialist Māori Cultural Assessment to be incorporated into business as usual in 2004/05.

In addition to these initiatives to incorporate Māori world views, a research report published during the year demonstrated that interventions incorporating tikanga Māori can have significant clinical benefits for Māori inmates. The report was called *Te Whakakotahitanga: An Evaluation of the Te Piriti Special Treatment Programme for Child Sex Offenders in New Zealand.*

Strategy: Build the responsiveness of the Department

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

Continue to pilot Cultural Supervision.

The pilot of Cultural Supervision undertaken in the Canterbury and Waikato regions has concluded and the evaluation report has been completed. Preparations are underway for the specialist Cultural Supervision programme to be incorporated into business as usual in 2004/05.

- Implement Human Resource strategies that enhance responsiveness to Māori, including:
 - strategies to increase the number of Māori staff and Māori managers.

The review of recruitment, retention and progression strategies, and the enhancement of existing training opportunities to identify potential Māori managers within the Department's frontline staff was initiated.

A set of competencies for responsiveness to Māori has been developed that will be integrated into the performance management system for managers, specific Head Office staff, and specific Māori roles by 30 June 2005. These competencies will support the Department's capability of working with Māori to reduce re-offending by Māori.

A service-specific cultural programme has been piloted and is to be introduced across the Department during 2004/05. To support this a module has been developed for managers to ensure they have the knowledge and skills to implement the programme.

Year one of the revised Māori Language Strategy.

A Te Reo (Māori Language) Strategy has been initiated. Work has proceeded under this strategy for consideration and implementation during 2004/05.

THEME 3 – CONTRIBUTING TO REDUCING RE-OFFENDING

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

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

■ KEY INITIATIVES FOR 2003/04 – DELIVERED DURING PERIOD

- Implement initiatives to improve the delivery of rehabilitative programmes for offenders, including transition to the delivery of programmes by a separate service delivery organisation.
 - Service descriptions and purchasing arrangements for the delivery of rehabilitative programmes for offenders have been evaluated and initiatives to improve these were adopted by the Department in May 2004. These programmes will be delivered by the newly established Intervention Services from 1 July 2004, providing more consistent service delivery arrangements that will improve overall programme performance and delivery.
- Review the implementation of reintegrative services for custodial and non-custodial offenders.
 Consultation with the community took place through a Ministerial Forum in May 2004. Business case options have been agreed and a pilot of proposals began in June 2004. This work will continue in 2004/05.
- Establish a faith-based unit at Rimutaka Prison.

On 16 October 2003 the faith-based unit at Rimutaka Prison opened and the delivery of the Prison Fellowship of New Zealand (PFNZ) programme commenced.

Strategy: Reduce the incidence of violent re-offending

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

KEY INITIATIVES FOR 2003/04 – DELIVERED DURING PERIOD

• Contribute to the interdepartmental Circuit Breaker pilot on contract management in Waikato, and participate in national rollout of agreed policy changes.

The chief executives of the contributing agencies signed off the national implementation plan in December 2003. The national rollout began in February 2004 and will continue in 2004/05.

Strategy: Reduce the impact of drugs and alcohol on re-offending

Substance abuse and dependence is widespread amongst the offender population and substance abuse is strongly linked to offending and re-offending. Effective initiatives, targeted at reducing alcohol and drug abuse amongst offenders, can have a positive impact upon re-offending rates.

KEY INITIATIVES FOR 2003/04 – DELIVERED DURING PERIOD

 Review the integrated strategic approach to reducing the impacts of drugs and alcohol on offending, including reducing the use of drugs in prison.

This review has been completed and the overall approach has been agreed. This will result in a revised Drug Strategy for 2005–2008, which will be published later in 2004.

Strategy: Improve outcomes for Pacific peoples

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

KEY INITIATIVES FOR 2003/04 – DELIVERED DURING PERIOD

- Implement the initiatives outlined for Year two of the Pacific Strategy, including to:
 - complete the Pacific Violence Prevention Programme pilot
 The Saili Matagi Pacific Violence Prevention Programme was completed at Auckland Prison and the programme will continue in 2004/05.
 - undertake research into the specific issues and needs of New Zealand-born Pacific offenders
 Research into the specific issues and needs of New Zealand-born Pacific offenders is in progress
 and will be completed during 2004/05.
 - implement a Pacific Provider Development Strategy.
 A draft of the Pacific Provider Development Strategy has been prepared. Its implementation will be completed during 2004/05.

Strategy: Return young offenders to a positive role in society

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

■ KEY INITIATIVES FOR 2003/04 - DELIVERED DURING PERIOD

• Complete, in conjunction with Child, Youth and Family, Year two of the Reducing Youth Offending Programme pilot and commence evaluation.

Year two of the Reducing Youth Offending Programme pilot, run in conjunction with Child, Youth and Family, has been completed. The evaluation report to the Minister has been drafted and is undergoing consultation.

Strategy: Assist offenders to achieve and maintain long-term employment

Nearly three-quarters of prison inmates left school with no educational qualifications. By providing access to education programmes and training opportunities the Department can increase opportunities for offenders to obtain long-term employment when they return to the community. The focus for inmate employment is to ensure that all inmate employment initiatives: are linked to the individual needs of inmates; deliver training and work experience that is benchmarked to commercial standards of operation; and operate cost-effectively.

■ KEY INITIATIVES FOR 2003/04 - DELIVERED DURING PERIOD

• Increase the number of industry-related New Zealand Qualifications Authority (NZQA) unit standards delivered to inmates

The number of industry-related NZQA unit standards delivered to inmates increased to over 2,000 and exceeded the Department's target.

THEME 4 – ENHANCING CAPABILITY AND CAPACITY

Strategy: Develop the capability and capacity of staff and managers

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

KEY INITIATIVES FOR 2003/04 – DELIVERED DURING PERIOD

- Implement a range of initiatives to improve the Department's human resource capability, including:
 - an enhanced Human Resources (HR) information/payroll system
 - revised recruitment and selection processes
 - revised induction processes and programmes that support ongoing staff development
 - a more integrated management development and succession-planning framework.
 - The enhanced HR information/payroll system was implemented during the year, including modules covering payroll functions, employee and manager self-service, activity recording, training and qualifications and performance management. Implementation of the health and safety module was deferred to 2004/05. Revised induction processes and programmes that support ongoing staff development have been implemented. A comprehensive management development framework has been developed and several initiatives progressed to implement this.
- Implement government decisions for the recruitment and training of staff in the Community Probation Service.
 New Probation Officers have been appointed and trained in accordance with the funding received via the Output Pricing Review.
 - Workforce changes have been completed as planned. These included the establishment of Senior Probation Officer and Senior Community Work Supervisor positions and a change in status from temporary to permanent employee for Community Work Supervisors, has been completed as planned.

Strategy: Refocus organisational culture

The Department's culture needs to be aligned with, and reinforce, its strategic direction. In particular, there needs to be an ongoing focus on: working collaboratively (internally and externally); balancing innovation with consistency; positive staffmanagement relations; and the active management of offenders.

■ KEY INITIATIVES FOR 2003/04 – DELIVERED DURING PERIOD

- Commence implementation of the Department's Knowledge Management Strategy.
 Implementation of the Department's Knowledge Management Strategy has commenced.
- Implement outstanding professional ethics strategy initiatives.
 - Principles established during the year as part of the professional ethics strategy were subject to ongoing reinforcement and monitoring. Some initiatives remain to be implemented during the 2004/05 year.

In addition to these initiatives to refocus organisational culture, the Department has worked during the year to introduce its new vision, kaupapa and values statements to all staff. The corporate statements provide an important new focus for the promotion of the Department's strategic direction.

Strategy: Enhance responsiveness to diversity

The Department needs people who are responsive to an increasingly diverse offender population, in particular to Māori, Pacific peoples, youth and other high-risk groups. In turn, it needs to be responsive to an increasingly diverse group of staff. Theme 2 contains the initiatives that will respond to this area in respect of Māori.

KEY INITIATIVES FOR 2003/04 – DELIVERED DURING PERIOD

- Implement initiatives designed to improve the Department's responsiveness to Pacific peoples, including:
 - the development and implementation of strategies to increase the number and range of Pacific staff and managers.
 - Strategies to increase the number and range of Pacific staff and managers have been developed and circulated for discussion.
 - the establishment of Pacific community advisory groups and Community Liaison Officers.
 The Chief Executive's Pacific Advisory Group was established in the latter half of 2003 and meets quarterly.
 Community Liaison Officers were appointed in the first quarter of the financial year.

Strategy: Provide an increasingly safe and healthy work environment

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

■ KEY INITIATIVES FOR 2003/04 - DELIVERED DURING PERIOD

• Finalise and consolidate workplace health and safety management systems across the Department.

The Department's health and safety management systems have been consolidated and have passed all audits necessary to retain primary status in the ACC Accredited Employer Scheme.

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

Strong information processes underpin the effectiveness of the Department's activities. Particular importance is attached to: having stable, reliable information technology systems; the provision of information necessary for the effective management of offenders, for research policy development and internal management; and initiatives that improve the flow of information between agencies.

■ KEY INITIATIVES FOR 2003/04 - DELIVERED DURING PERIOD

- Information technology (IT):
 - continue to enhance the ability of IT systems to support departmental operational and management processes.

The Department has continued to develop and maintain its information technology systems during 2003/04. Changes to the Integrated Offender Management System were released as planned.

- continue support for the Justice Sector Information Strategy and other initiatives designed to improve the information flow between agencies.
 - The Department has continued to be involved in justice sector initiatives, and supporting the successful implementation of the first year of the Justice Sector Information Strategy. This work has been based on the four goals for the strategy of having: an authoritative base of justice information; information and knowledge sharing across the sector; justice sector information available through a choice of channels; and efficient processes for managing information and information related initiatives.
- contribute to the development of e-government initiatives.
 - During the year the Department has continued to participate in the initiatives lead by the e-government unit of the State Services Commission. This has included ensuring that the Department's systems meet the standards that the unit has developed (especially around internet sites and e-gif), and being involved in and supporting new initiatives as they have occurred.

Strategy: Provide facilities to meet projected demand

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

■ KEY INITIATIVES FOR 2003/04 - DELIVERED DURING PERIOD

- Continue the implementation of the regional prisons policy; this includes progressing work on:
 - Northland Region Corrections Facility construction will continue with expected opening in April 2005.
 Construction of the Northland Region Corrections Facility continued. The facility is due to be completed in February 2005, open in March 2005 and be operating to full capacity by September 2005.
 - Spring Hill Corrections Facility appeals to the Environment Court are expected in 2003/04.
 The Environment Court decided in favour of the Minister of Corrections in July 2004.
 - Auckland Region Women's Corrections Facility progress on this facility is dependent on whether the favourable local authority decision is appealed to the Environment Court. If this occurs, then the Environment Court case is expected to be completed during 2003/04.
 - The Environment Court decided in favour of the Minister of Corrections in April 2004.
 - Otago Region Corrections Facility the Resource Management Act 1991 process will be completed through the territorial authority stages during 2003/04.
 - Two appeals against the designation were lodged with the Environment Court in June 2004.

Strategy: Maintain existing facilities as appropriate

As at 30 June 2002, the Department had fixed assets worth approximately \$568 million. Of this, \$388 million was in buildings, with the majority of this being prison facilities. The Department's maintenance programme outlines the work required to ensure that these facilities remain safe and secure.

KEY INITIATIVES FOR 2003/04 – DELIVERED DURING PERIOD

- · Continue to implement initiatives designed to enhance the Department's facilities and infrastructure, including:
 - progressing with implementation of the deferred maintenance plan, including:
 - cell strengthening at Christchurch Prison.
 Cell strengthening at Christchurch Prison has been completed.
 - new visitor facilities will be provided at Arohata Women's Prison

 New visitor facilities at Arohata Women's Prison were substantially completed during the year.
 - improvements to inmate receiving and health facilities at Manawatu Prison
 Improvements to inmate receiving and health facilities at Manawatu Prison have been designed, with construction to be completed in 2004/05.
 - reviewing design standards for specialist units (youth, self-care and Māori focus units).
 Design standards for specialist units have not been reviewed because the designated reviewers were unavailable.

OTHER KEY INITIATIVES FOR 2003/04

- Submit Output Pricing Review case to Government and implement any subsequent decisions.
 - The Output Pricing Review case was submitted to Government during the first quarter of the financial year. It was partially funded during the second quarter with the remaining funding decisions made during the third quarter as part of the 2004 Budget process. Funding decisions made addressed training and development, increased numbers of psychologists, enhancements to inmate risk assessment, additional property maintenance, IT support and improved health services for inmates.
- Complete implementation of Business Continuity Planning changes to ensure compliance with the Civil Defence Emergency Management Act 2002.
 - Work continued on the implementation of Business Continuity Planning changes during the year, with progress in connecting plans with regional civil defence arrangements and some testing of plans completed.
- Complete development and begin implementation of the Energy Management Strategy.
 - The Energy Management Strategy has been developed and implementation is under way. Significant savings have been achieved as a result of this work.

OUTCOME MEASUREMENT

THE DEPARTMENT'S SUCCESS IS DETERMINED BY THE EXTENT TO WHICH THE DEPARTMENTAL OUTCOMES OF PROTECTING THE PUBLIC AND REDUCING RE-OFFENDING ARE ACHIEVED, WHICH IN TURN CONTRIBUTE TO THE JUSTICE SECTOR END OUTCOME OF SAFER COMMUNITIES AND, THROUGH THIS, TO THE GOVERNMENT'S KEY GOALS.

Measurement of progress can be intrinsically difficult, because outcomes are often influenced by factors beyond an individual agency's control. The Department has, however, developed a set of measures, based on data collected through its offender management processes and similar information obtained from corrections agencies in other countries, which enable comparisons to be made. These measures provide a good starting point for assessing the Department's performance and will be enhanced over time in conjunction with other justice sector agencies.

REDUCING RE-OFFENDING

Progress towards the outcome of reducing re-offending is assessed through the use of two measures, the Recidivism Index and the Rehabilitation Quotient. Both procedures use reconviction data where the result is a sentence or order administered by the Department.

RECIDIVISM INDEX

The Recidivism Index (RI) quantifies the rate of re-offending of a specified group of offenders over defined follow-up periods after release from a custodial sentence or commencement of a community-based sentence.

Twelve and 24-months follow-up periods are reported here.

RI figures are produced for two potential outcomes: reconviction leading to a community-based sentence administered by the Department, and reconviction leading to imprisonment. Imprisonment figures are perhaps the more critical of the two measures, as this outcome is associated with more serious offences and higher costs in administering the sentence.

However, as the majority of reconvictions do not lead to imprisonment, general reconviction statistics are provided to give a more complete measure of general recidivism.

The figures do not include reconvictions where these result in sentences not administered by the Department (for example, discharge following conviction, fines), as data of this nature is not available to the Department. However, such outcomes are usually associated with very minor offending that has little significance for public safety. As is common internationally with measures of this type, the figures also exclude recalls to prison for breaches of parole release conditions, and similar administrative outcomes of that nature.

RI Computational Changes for 2003/04

The methodology used in generating this year's RI figures has substantially changed from that used in previous years. Use of the Department's data warehouse has enabled a higher level of precision and specificity being applied to all aspects of the procedure, including the manner by which individual records are dealt with. Inevitably, this means that the resulting RI statistics may not be directly comparable to previously reported figures.

In addition there has been a change in the source of reconviction data, which is now obtained from the Ministry of Justice's computerised Case Management System (CMS), rather than the Police Law Enforcement System as was previously the case. This has allowed another important change to be made: the cut-off date for extracting reconviction data (for the follow-up period of 1 April - 31 March) has moved, from 20 April as was the case in previous years, to 30 June. This allows for more complete recording of reconvictions (the previous rule meant that some offences occurring during the follow-up period were not captured because conviction and sentencing had not occurred by the earlier cut-off date).

Finally, it need also be noted that the prison release / 'new start' period (1 April 2002 – 31 March 2003) to which the 12-month RI data relate was 'bisected' by the introduction of the Sentencing Act 2002 and the

Parole Act 2002 (these became law on 1 July 2002). These acts effected changes to sentencing options available to judges (for example, periodic detention was abolished, and a new post-prison sentence of 'release with conditions' was introduced). The nature of parole was also affected. These changes introduce further discontinuity into this year's reported figures.

An overall effect of these changes is that direct comparison between this year's figures with those reported in previous years is not entirely valid. The trade-off for this temporary loss of comparability, however, is improved accuracy.

Nevertheless, to allow for some comparison, data from last year used in calculating the 12-month RI figures have been re-analysed using the current year's methodology. Overall values are reported in the final row of the 12-month RI table (unfortunately, due to data and timing constraints, it was not possible to recalculate the 24-month RI table from last years annual report).

Changes in Reported RI Figures

With due acknowledgement of the difficulties for comparability, some comment about the larger differences between last year's and the current year's figures is appropriate. A general increase in reconviction and re-imprisonment for PPS releases appears to reflect a number of factors, some relating to the methodological changes, but others to an actual increase in convictions.

With regard to the latter, it should be noted that the New Zealand Police have not recorded any significant increases in crime over the past four years, but have however improved their offence resolution rates. Perhaps as a direct result, the Department has experienced a sharp increase in prison muster numbers during this time. It appears then that the RI increase for PPS may be a consequence of greater detection, prosecution and conviction of offending by released inmates, rather than any increased offending by this group.

When viewed in relation to the (re-calculated) figures from last year's report then, the differences for both PPS and CPS suggest that the change in the current year's figures is perhaps due in equal parts to the methodology changes and to an actual increase in rate of reconviction.

RI Sub-group Comparisons

Table 7 provides re-offending rates measured over 12 months, for those released from prison, or commencing community-based sentences, during the 2002/03 (1 April – 31 March) year, and over 24 months for those released from prison, or commencing community-based sentences, during the 2001/02 year. RIs are reported for multiple categories of offenders, with significant variation observed in reconviction rates between sentence types, offence types and demographic groups.

Notable features for those released from a custodial sentence include the following:

- males are re-imprisoned at a significantly higher rate than females (29 percent and 16 percent respectively) and reconviction rates for offenders released from prison are also higher for males (43 percent and 37 percent respectively);
- The re-imprisonment and reconviction rates for Pacific peoples (20 percent and 31 percent respectively) were notably lower than those for Māori (32 percent and 47 percent) and Europeans (25 percent and 38 percent);
- Re-imprisonment rates reduce by around two-thirds as offenders age (offenders over 40 years are re-imprisoned at a third of the rate of those under 20), and vary markedly between offence classes (property offenders having the highest, sex offenders having the lowest);
- Home detention offenders had reconviction and re-imprisonment rates substantially lower than the average. This difference was particularly marked for those released from prison to "backend" home detention, with the re-imprisonment rate (10.3) being the lowest for any sub-group of released inmates;
- Re-imprisonment rates were higher for inmates released from medium security classification (36 – 41 percent) than those for inmates released from minimum security (24 percent);

- There is a tendency for shorter sentence length to be associated with higher rates of reimprisonment and reconviction: one- to two-year sentence length offenders are re-imprisoned at a higher rate than offenders with a sentence length between three and five years (30 percent and 22 percent respectively);
- For offence seriousness (the offence for which the person was originally convicted) a similar inverse relationship with rate of re-imprisonment and reconviction appears: medium seriousness score (for example, dishonesty, burglary) offenders are re-imprisoned at a higher rate than offenders with a very high seriousness score (36 percent versus 26 percent respectively).

Offenders on community-based sentences had significantly lower imprisonment and reconviction rates than offenders released from prison. However, most of the trends noted for released inmates were also evident for this population. The slightly higher rate of imprisonment for offenders sentenced to ("frontend") home detention reflects the fact that, within the population receiving community-based sanctions, home detention is typically applied to those who pose a higher risk of offending.

KEY TO RECIDIVISM INDEX (TABLE 7)

CMS Offence dates (until 30 June 2004) are used to measure re-offending

Offences against justice are excluded for reimprisonment and reconviction

Beginning of CPS sentence used to define reconviction

PPS records have release dates defined from 1 April 2002 to 31 March 2003

CPS records have start dates defined from 1 April 2002 to 31 March 2003

- * The Sentencing Act 2002 abolished Periodic Detention and introduced Community Work on 01 July 2002
- ** Insufficient numbers to report on releases from Maximum Security Classification
- *** "Back-end" and "Front-end" Home Detention are reported separately under PPS Releases and CPS New Starts respectively
- **** Introduced by the Sentencing Act 2002 and Orders are imposed by the judiciary at the time of sentencing

TABLE 7: RECIDIVISM INDEX

RECIDIVISM INDEX – OFFENDERS RELEASED FROM PRISON OR STARTING CPS MANAGED SENTENCE ANY TIME DURING MARCH 2003 YEAR (12 MONTHS FOLLOW UP PERCENTAGES)

		Released	Released from PPS		Beginning of CPS Sentence		
Category	Group	Reimprisoned	Reconvicted	Imprisoned	Reconvicted		
AII		28.0	42.3	8.6	34.0		
Gender	Female	15.8	36.8	4.6	26.0		
	Male	28.8	42.6	9.7	36.4		
Ethnicity	European	24.5	38.2	7.5	32.1		
-	Māori	31.9	47.6	10.4	38.7		
	Pacific	20.2	31.3	6.7	28.8		
	Other (incl Asian)	15.4	19.6	2.9	12.9		
Age	<20 years	48.3	68.3	12.2	54.6		
at PPS	20–24 years	36.2	54.6	11.1	41.8		
elease or	25–29 years	28.7	43.5	9.9	35.3		
start of CPS	30–39 years	22.2	36.3	7.6	28.3		
sentence)	40+ years	17.9	25.1	4.7	17.9		
Offence	Dishonesty	42.2	58.9	12.9	44.8		
Most	Property	29.3	44.7	9.4	37.9		
serious for	Administrative	27.2	46.1	10.1	37.8		
original	Violence	25.6	39.8	8.6	34.8		
sentence)	Traffic	19.7	32.3	5.8	25.8		
serience)	Drug & Anti Social	17.2	30.2	6.6	25.5		
	Sexual	14.8	20.1	3.9	15.4		
Community-	Supervision	n/a	n/a	12.3	35.8		
pased	Periodic Detention*	n/a	n/a	7.2	34.5		
Sentence	Community Work*	n/a	n/a	8.5	36.1		
	Community Service	n/a	n/a	1.8	16.4		
nmate	Maximum Security**	n/a	n/a	n/a	n/a		
Security	High Medium	35.7	45.4	n/a	n/a		
Classification		41.3	56.6	n/a	n/a		
at release)	Minimum	23.6	38.3	n/a	n/a		
Pologo	Darala Dicarationany	22.0	24.4	n /n	n /o		
Release	Parole Discretionary Parole Non-discretionary	23.9 27.4	34.4 38.5	n/a	n/a		
Гуре	Home Detention***	10.3	15.2	n/a 8.8	n/a 19.8		
	Post-release conditions****	29.2	46.1	n/a	19.8 n/a		
Sentence	<=6 mths	28.5	44.9	8.0	33.8		
ength.	> 6mth but < 1yr	29.4	45.2	12.3	35.6		
-viigui	>1 to 2 yr	30.4	45.0	16.0	31.7		
	>2 to 3 yr	24.7	35.6	n/a	n/a		
	>3 to 5 yr	22.1	31.1	n/a	n/a		
	>5 yr	24.0	29.3	n/a	n/a		
Seriousness	Low (>0 to 30)	25.9	40.9	7.5	31.2		
Score	Medium (>30 to 60)	36.2	53.3	7.5 12.5	45.8		
e die	High (>60–120)	31.7	47.6	12.5	43.1		
	Very high (>120)	25.9	38.1	11.0	37.9		

RECIDIVISM INDEX - OFFENDERS RELEASED FROM PRISON OR STARTING CPS MANAGED SENTENCE ANY TIME **DURING MARCH 2002 YEAR (24 MONTHS FOLLOW UP PERCENTAGES)**

Category	Group	Released Reimprisoned	from PPS Reconvicted	Beginning of Imprisoned	CPS Sentence Reconvicted
All		38.2	56.5	11.3	41.2
Gender	Female	23.8	45.4	5.4	30.7
	Male	39.1	57.3	13.0	44.4
Ethnicity	European	34.6	50.8	9.4	38.1
	Māori	42.9	62.7	14.2	47.7
	Pacific	27.3	46.3	9.4	34.6
	Other (incl Asian)	19.4	30.1	3.0	14.5
Age	<20 years	57.6	80.5	16.0	63.2
(at PPS	20–24 years	47.1	67.6	13.9	49.6
release or	25–29 years	40.9	60.1	12.8	42.6
start of CPS	30–39 years	34.5	53.0	11.8	39.0
sentence)	40+ years	22.9	35.3	7.7	25.5
Offence	Dishonesty	55.3	72.6	15.5	52.1
(Most	Property	47.8	62.3	15.1	52.6
serious for	Administrative	40.1	66.5	13.0	42.3
original	Violence	35.2	54.5	11.4	41.1
sentence)	Traffic	30.5	49.3	9.0	34.3
sentence)	Drug & Anti Social	24.2	42.5	10.4	38.5
	Sexual	11.4	22.2	7.7	24.0
Community-	Supervision	n/a	n/a	17.4	44.6
based	Periodic Detention	n/a	n/a	12.0	46.3
Sentence	Community Programme	n/a	n/a	15.7	42.4
	Community Service	n/a	n/a	3.6	25.4
Inmate	Maximum Security**	n/a	n/a	n/a	n/a
Security	High Medium	52.6	67.3	n/a	n/a
•	Low Medium	49.5	65.1	n/a	n/a
(at release)	Minimum	32.8	51.8	n/a	n/a
Dalagas	Davala Disarationan	24.4	40.6	n /a	n /o
Release	Parole Discretionary	34.1	49.6	n/a	n/a
Туре	Parole Non-discretionary Home Detention***	40.5 14.7	56.4 29.4	n/a 14.5	n/a 21.2
	Post-release conditions****	14.7 n/a	29.4 n/a	14.5	31.2
• 1	0	07.0	50.0		40.4
Sentence	<=6 mths	37.9	59.6	9.9	40.1
Length	> 6mth but < 1yr	40.7	58.3	17.7	46.4
	>1 to 2 yr	40.3	58.7	18.8	42.2
	>2 to 3 yr	39.4	52.2	n/a	n/a
	>3 to 5 yr >5 yr	33.8 26.5	45.4 37.1	n/a n/a	n/a n/a
Paulaus ::	Low (> 0 to 20)	20.0	F7.0	40.0	20.4
Seriousness	Low (>0 to 30)	36.2	57.2	10.0	39.4
C					
Score	Medium (>30 to 60) High (>60–120)	49.5 41.2	67.8 59.5	17.2 15.7	49.9 46.8

REHABILITATION QUOTIENT

The Department routinely delivers a range of rehabilitative and reintegrative interventions that are 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 these types of programmes has consistently shown that significant reductions in reconviction and re-imprisonment can be achieved when this type of intervention is delivered to appropriately targeted offenders.

The purpose of the Rehabilitation Quotient (RQ) is to gauge the extent to which re-offending is reduced amongst those who receive a rehabilitative intervention.

As such, RQ compares the rates of reconviction between treatment group 'graduates' and those of 'control' offenders who are similar in key aspects but who did not receive the intervention.

In order to measure such effects accurately, every individual offender who completes the treatment group is matched with one or more offenders who did not receive any intervention. Matching is made on the basis of variables such as age, gender, assessed risk of re-offending, type of sentence (prison versus community) and, in some cases, offence type. The length of the follow-up period for both is held equivalent. The differences in reconviction are then regarded as giving a valid indication of the programme's effectiveness.

Accurately assessing programme outcomes is, in practice, an extremely complex task. Validity is dependent on receiving full and valid data sets for programme participation and non-participation, accurate offender data (for example, risk assessment rating) to ensure valid matching, as well as sufficient numbers of offenders to ensure adequate statistical validity.

Recognising the need for increased accuracy in this domain, the Department has sought to re-develop the RQ process within its data warehouse, as the optimal means to achieving the level of precision required. Unfortunately, this somewhat ambitious project could not be finalised by the time of this report's publication. It is anticipated that RQ values for the main departmental programmes will be published separately at a later date.

PROTECTING THE PUBLIC

The Department's secondary outcome of protecting the public will primarily be attained through using the strategies and initiatives outlined in Theme 1. Progress towards the achievement of the outcome is measured through the analysis of data collected across a range of efficiency and quality measures designed to ensure offenders are being managed in a safe, secure and humane manner. These include:

- ensuring 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
- the number of inmate complaints.

The following tables show the significant progress that has been made in recent years towards improving the Department's performance in a number of key areas. The information is also presented as international comparisons. The Department uses international benchmarking to compare its performance across a range of commonly-used service delivery indicators. To achieve this, close working relationships have been developed with overseas jurisdictions. Information is exchanged with Australia, Canada, England/Wales and Scotland.

In making these comparisons, the Department assesses the comparability of the data in question. Where the jurisdictions have similar business operations, definitions and counting rules, there is high comparability, allowing benchmarking with no adjustments. Where the jurisdictions have similar business operations, but minor inconsistencies in definitions and counting, there is medium comparability, so providing a reasonable benchmark comparison, although one that may require small

adjustments to data and counting. Where the jurisdictions again have similar operations but different definitions and counting rules, adjustments would be required before true benchmark comparisons could be made, so comparability is low. Such adjustments have not been made to the data reported here, with the exception of the cost per inmate per day.

The Department's use of international benchmarking continues to develop. The data available still stands largely alone and further analysis is required before informed comparison may be made between New Zealand and the benchmarked jurisdictions. Full comparisons need to take account of a range of variables. For example, Scotland, with lower costs than New Zealand, also has lower inmate/ staff ratios, a higher occupancy rate, higher assault rates, higher death rates, but lower rates of escapes and positive drug tests. From this, it is not yet possible to draw firm conclusions about the relative performance of the New Zealand and Scottish prison systems. Some observations, however, are made in the commentary accompanying the tables.

EFFICIENCY INDICATORS

This range of indicators demonstrates the efficient nature of resource management in the Department and compares it with other benchmarked jurisdictions.

Cost per Inmate per Day

One component in determining the performance of the corrections system is an assessment on the basis of what it costs to accomodate and securely maintain an inmate.

Table 8 shows a slight trend of increasing costs for New Zealand prisons. Comparisons between jurisdictions are shown below, based on the average daily cost per inmate using the Economist Annual Comparison Index. The latest international data demonstrates that New Zealand is receiving good value for the service provided. New Zealand costs are lower than the other jurisdictions benchmarked, with the exception of Scotland.

Inmate/Uniformed Staff Ratio

The ratio of inmates to full-time equivalent (FTE) uniformed staff identifies the level of staff supervision available. This graph compares the ratio of inmates to full-time equivalent uniformed staff across jurisdictions. Historically, New Zealand's ratio of inmates to uniform staff has exceeded that of other jurisdictions. Scotland, with the lowest number of inmates to each frontline staff member (1.48 in 2001/02) has a four-year rolling average ratio of 1.5 compared with New Zealand's average ratio of 2.4 inmates to uniform staff.

TABLE 8: COST PER INMATE PER DAY – NEW ZEALAND



TABLE 9: COST PER INMATE PER DAY - INTERNATIONAL COMPARISON

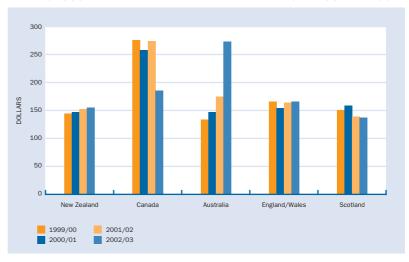
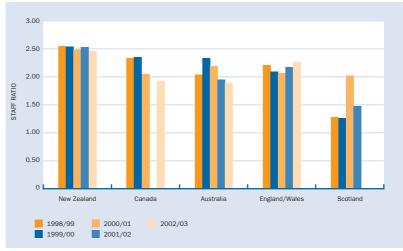


TABLE 10: INMATE/UNIFORMED STAFF RATIO – INTERNATIONAL COMPARISON



NB: Data not available for Canada 2001/02 or Scotland 2002/03.

TABLE 11: INMATE/TOTAL STAFF RATIO - INTERNATIONAL COMPARISON

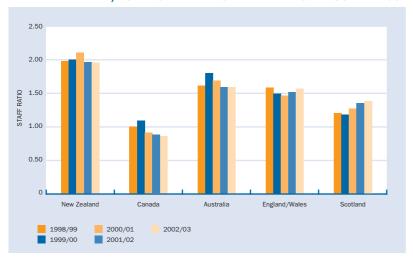
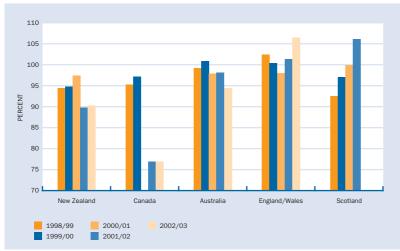


TABLE 12: OCCUPANCY - NEW ZEALAND



TABLE 13: OCCUPANCY - INTERNATIONAL COMPARISON



NB: Data not available for Canada 2000/01 or Scotland 2002/03.

Inmate/Total Staff Ratio

New Zealand's ratio of inmates to total staff (excluding Auckland Central Remand Prison) exceeds that of the international jurisdictions tested. In New Zealand, between 1998/99 and 2002/03, there has been an average of two inmates to one staff member.

Occupancy

The calculation of prison occupancy is based on the number of available (permanent) prison beds and the average prison population for the year. New Zealand's occupancy rate will fluctuate over time, as new prison facilities are developed to cater for the projected increases in inmate numbers. Average occupancy for 2003/04 was 96 percent, although for the last two months of the year average occupancy exceeded 100%.

The optimum rate of prison utilisation is considered to be between 85 and 95 percent, to allow for special accommodation, separate security levels and short-term fluctuations. New Zealand's occupancy rate is significantly lower than the rates in all but one other jurisdiction, Canada. The comparability of this measure is assessed as being medium-to-low.

QUALITY INDICATORS

Quality indicators measure prison management and the health and safe containment of inmates. This includes the provision of interventions that address the causes of offending and support successful reintegration into the community.

Inmate/Inmate Assault (Serious)

Table 14 shows the number of serious inmate/inmate assaults per 100 inmates. A serious assault is defined as one where the victim requires overnight hospitalisation or ongoing medical intervention. There was a steep decline in the number of serious assaults reported in New Zealand prisons between 1998 and 2002. That trend has reversed since 1 July 2002 and continues upwards. Internationally, during the past year New Zealand has had a rate of serious assaults significantly lower than both Canada and Australia. These comparisons have some limitations because of different counting rules applying in different jurisdictions. Data from England/Wales and Scotland is not presented here because of low comparability.

TABLE 14: INMATE/INMATE ASSAULT (SERIOUS) – NEW ZEALAND

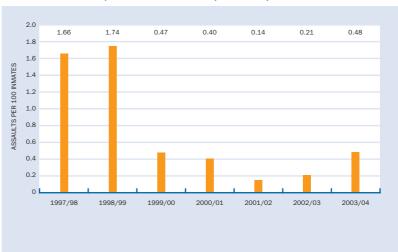
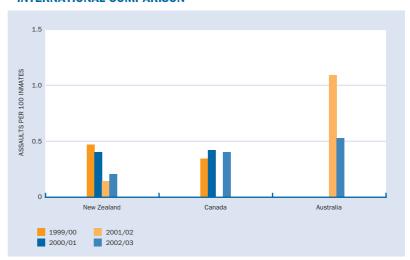


TABLE 15: INMATE/INMATE ASSAULT (SERIOUS)
- INTERNATIONAL COMPARISON

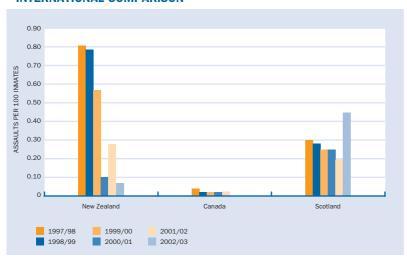


NB: Data not available for Canada 2001/02, Australia 1999/00 and 2000/01.

TABLE 16: INMATE/STAFF ASSAULT (SERIOUS) - NEW ZEALAND



TABLE 17: INMATE/STAFF ASSAULT (SERIOUS) – INTERNATIONAL COMPARISON



NB: Canada's reported rate for 2003/03 was nil.

Inmate/Staff Assault (Serious)

Serious assaults by inmates on staff are those where the victim requires overnight hospitalisation or ongoing medical intervention.

The rate of serious assault (inmate/staff) is reported per 100 inmates. There were only three serious assaults on staff in 2003/04, and the overall trend continues to be downward.

Internationally, New Zealand's low rate of serious inmate/staff assaults is consistent with most other jurisdictions, although the comparability of this data is low.

DEATHS IN CUSTODY

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

Unnatural Deaths in Custody

Unnatural deaths, which include suicides, homicides, deaths by drug overdose and deaths by accident, are reported here per 100 inmates. The trend for this measure indicates a slight but consistent decline. In 2003/04 there were nine unnatural deaths in prison, four more than last year's total.

New Zealand's unnatural death rate per 100 inmates is currently less than Scotland and similar to that of Australia. Comparability with Australia and England/Wales is high, and medium with Canada and Scotland.

TABLE 18: UNNATURAL DEATHS IN CUSTODY – NEW ZEALAND

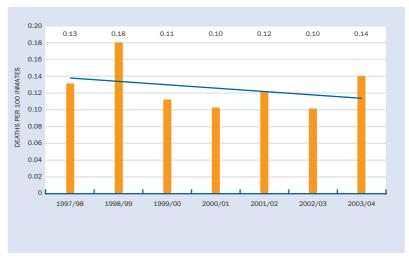
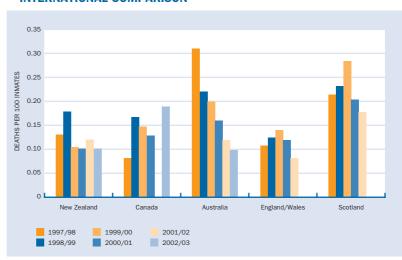


TABLE 19: UNNATURAL DEATHS IN CUSTODY
- INTERNATIONAL COMPARISON



NB: Data not available for Canada 2001/02 or England/Wales 2002/03.

TABLE 20: SUICIDES IN CUSTODY - NEW ZEALAND

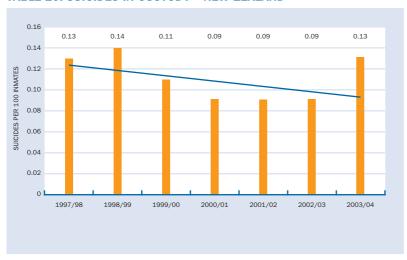
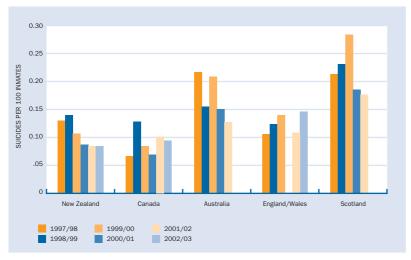


TABLE 21: SUICIDES IN CUSTODY - INTERNATIONAL COMPARISON



NB: Data not available for England/Wales 2000/01, Australia 2002/03 and Scotland 2002/03.

Suicides in Custody

Inmate suicide reduction continues to be a key priority of the Department.

Table 20 shows the trend in the number of suicides per 100 inmates. The downward trend of the previous four years has reversed. The rate of suicide of remand inmates continues to be greater than for sentenced inmates.

New Zealand's 2002/03 rate of suicide of 0.85 per 1,000 inmates is the lowest of the international benchmark jurisdictions for that year. Comparability for this measure is medium with Scotland and Canada and high with England/ Wales and Australia.

ESCAPES FROM PRISON

The total number of inmate escapes in New Zealand against all security classifications in 2003/04 was 20, against an expected performance standard in 2003/04 of 50 escapes.

Breakout Escapes from Prison

Table 22 shows the trend in breakout escapes per 100 inmates. Of the 20 escapes for 2003/04, there were a total of nine breakout escapes. This compares with eight breakout escapes during 2002/03.

New Zealand has a similar rate of breakout escapes to that of all but one of the jurisdictions, Canada. Canada's rates over the last five years have been more than double New Zealand's. Australia is the only jurisdiction where escape rates have decreased each year over the last six years. This data is of medium comparability with Canada and Scotland and low comparability with Australia and England/Wales.

TABLE 22: BREAKOUT ESCAPES - NEW ZEALAND

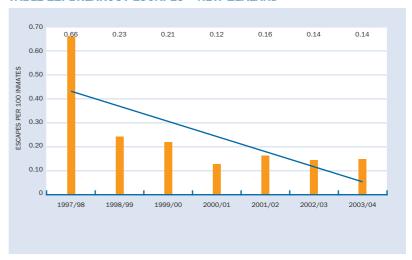
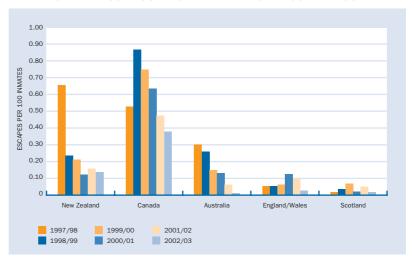


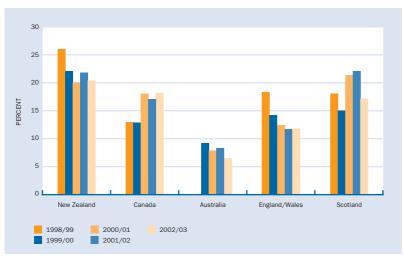
TABLE 23: BREAKOUT ESCAPES - INTERNATIONAL COMPARISON



Strategy to Reduce the Use of Drugs and Alcohol in Prisons

During the course of the 2003/04 year the Department continued its strategy to reduce drug and alcohol use in prisons. The strategy recognises that a large proportion of inmates have drug and alcohol problems. These problems are often a significant factor in their offending behaviours. Drug use in prison perpetuates the dependency problems and the illegal lifestyles of inmates. It also creates problems for their relatives and friends (such as the pressure to supply drugs) and for prison staff in the management and rehabilitation of inmates.

TABLE 24: GENERAL RANDOM DRUG TESTS RETURNING A POSITIVE RESULT – INTERNATIONAL COMPARISON



NB: Data not available for Australia 1998/99.

The Department's drug strategy is designed to reduce: the demand for drugs; the supply of drugs into prison; and the harm caused by drug abuse. The three main methods to achieve these aims are:

- measures to deter inmates from using drugs (both sanctions and incentives)
- · improved detection of drugs
- treatment of those with drug problems.

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

The total of positive results for the year ended 30 June 2004 was 17.13 percent, the lowest ever recorded. Full results of random and other drug screening tests are reported on page 102. Of the total positive results to general random drug tests in 2002/03, 88 percent were positive results for cannabinoids, with the remaining 12 percent positive results for other drugs.

An international comparison of random drug-testing results is shown in table 24. The comparability of drug-testing results between jurisdictions is regarded as low. Although drug-testing practice is similar, there are differences between jurisdictions in the percentages of inmates randomly tested, the treatment of refusals and the length of time inmates must serve before being available for random testing.

OTHER INDICATORS Imprisonment Rate

The imprisonment rate identifies the number of people imprisoned per 100,000 of the national population. This is an indication of the extent to which prison is used as a sentencing option by the judiciary. New Zealand has the highest rate compared with other benchmarked jurisdictions, although the modest downward trend of the past two years has reversed, with the rate of imprisonment rising to 155 per 100,000 for 2003/04.

Indigenous Inmate Population

Currently, New Zealand Māori make up a large percentage of the inmate population. The Department recognises the importance of being responsive to Māori and targeting effective interventions for Māori offenders. Initiatives to improve responsiveness are outlined on pages 28 and 29, while rehabilitative programmes and results are described on pages 108 to 121.

Inmate Complaints

The introduction of the Integrated Offender Management System (IOMS) has enabled the monitoring of inmate complaints. Only written complaints are recorded in the system. Before completing a written complaint an inmate is required to request an interview. If the issue cannot be resolved during that interview the inmate is asked to complete the 'Request for Interview/ Complaint' form. An attempt is made to resolve all issues within three days of receipt. Where follow-up action is required of a person

TABLE 25: IMPRISONMENT RATE PER 100,000 – INTERNATIONAL COMPARISON

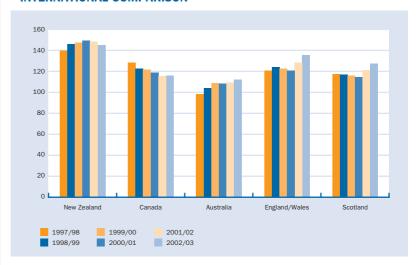
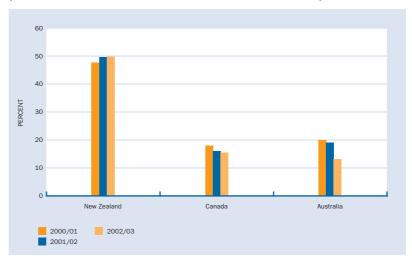


TABLE 26: INDIGENOUS INMATE POPULATION
(AS A PERCENTAGE OF THE TOTAL INMATE POPULATION)



other than the Unit Manager, the Superintendent interviews the inmate within seven days. The Superintendent is required to investigate any unresolved complaints within 14 days of referral.

During the 2003/04 year 186 written complaints were recorded. Of this number seven complaints were found to be justified.

PROTECTING THE PUBLIC

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



MEASURING EFFECTIVENESS

Output quantity, quality, timeliness and cost

International benchmarks



THEMES

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

OUTCOME: SAFER

OUTPUT

1: INFORMATION SERVICES

Sentencing information and advice to courts

Parole information and advice to the New Zealand Parole Board Home leave reports

2: COMMUNITY-BASED SENTENCES AND ORDERS

Supervision

Community work

Home detention orders

Parole orders

3: CUSTODY OF REMAND INMATES

Custody of remand inmates

4: ESCORTS AND CUSTODIAL SUPERVISION

Escort services

Courtroom custodial supervision services

5: CUSTODIAL SERVICES

- Men maximum security
 - medium security
 - minimum security

6: INMATE EMPLOYMENT

Land-based activities

Manufacturing activities

Internal service self-sufficiency activities

7: REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

Responsivity/motivational programmes

Criminogenic programmes

Other rehabilitative programmes and activities

Education and training

Reintegrative services

8: SERVICES TO THE NEW ZEALAND PAROLE BOARD

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

9: POLICY ADVICE AND DEVELOPMENT

Policy advice and development services

Ministerial servicing

Psychological and other research

10: SERVICE PURCHASE AND MONITORING

Purchase and monitoring of service delivery

Inspectorate services

National systems services

COMMUNITIES

CLASSES

Home detention assessments to the New Zealand Parole Board

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

Post-release orders

Conditions

Extended supervision orders

Women

Male youth

Drug reduction

Release to work

Vocational training services

Community services

Community residential centres and Reducing Youth

Offending Programme

Psychological services

Chaplaincy services

REDUCING RE-OFFENDING

R

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

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



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



PART 2

FINANCIAL SUMMARY

AND SERVICE PERFORMANCE



PART 2 – FINANCIAL SUMMARY AND SERVICE PERFORMANCE

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STATEMENT OF RESPONSIBILITY

In terms of sections 35 and 37 of the Public Finance Act 1989, I am responsible, as Chief Executive of the Department of Corrections, for the preparation of the Department's financial statements and the judgements made in the process of producing those statements.

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

In my opinion, these financial statements fairly reflect the financial position and operations of the Department for the year ended 30 June 2004.

Signed

Countersigned

Mark Byers

Chief Executive

24 September 2004

Richard Morris

Chief Financial Officer

24 September 2004



AUDIT REPORT

TO THE READERS OF THE DEPARTMENT OF CORRECTIONS' FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

The Auditor-General is the auditor of the Department of Corrections (the Department). The Auditor-General has appointed me, H C Lim, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Department, on his behalf, for the year ended 30 June 2004.

UNQUALIFIED OPINION

In our opinion the financial statements of the Department on pages 61 to 133:

- · comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Department's financial position as at 30 June 2004;
 - the results of its operations and cash flows for the year ended on that date;
 - its service performance achievements measured against the performance targets adopted for the year ended on that date; and
 - the assets and trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2004.

The audit was completed on 24 September 2004, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and the Auditor, and explain our independence.

BASIS OF OPINION

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

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

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

Our audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

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

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

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

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

RESPONSIBILITIES OF THE CHIEF EXECUTIVE AND THE AUDITOR

The Chief Executive is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Department as at 30 June 2004. They must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. In addition, they must fairly reflect the assets and trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2004. The Chief Executive's responsibilities arise from the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 38(1) of the Public Finance Act 1989.

INDEPENDENCE

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

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

- tendering and project management;
- cost allocation policies and procedures.

We have also seconded a staff member to the Department's corporate finance team. Both the assurance related assignments and the secondment are compatible with those independence requirements. Other than the audit, the assurance related assignments and the secondment, we have no relationship with or interests in the Department.

H C Lim

Audit New Zealand

On behalf of the Auditor-General

fullhoult

Wellington, New Zealand

MATTERS RELATING TO THE ELECTRONIC PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS

This audit report relates to the financial statements of the Department of Corrections for the year ended

30 June 2004 included on the Department of Corrections' website. The Chief Executive is responsible for the maintenance and integrity of the Department of Corrections' website. We have not been engaged to report on the integrity of the Department of Corrections' web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

We have not been engaged to report on any other electronic versions of the Department of Corrections' financial statements, and accept no responsibility for any changes that may have occurred to electronic versions of the financial statements published on other websites and/or published by other electronic means.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 24 September 2004 to confirm the information included in the audited financial statements presented on this web site.

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

FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2004

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.

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

MEASUREMENT SYSTEM

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

Accounting Policies

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

BUDGET FIGURES

The Budget figures are those presented in the Statement of Intent (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates) and any transfer made by Order in Council under section 5 of the Public Finance Act 1989.

REVENUE

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

COST ALLOCATION

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

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

DEBTORS AND RECEIVABLES

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

OPERATING LEASES

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

PHYSICAL ASSETS

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

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

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

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

FORESTS

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

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

DEPRECIATION

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

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

Buildings	50 years	(2%)
Buildings – fit-outs	3 to 20 years	(5% to 33.3%)
Hut complexes	25 years	(4%)
Hut fit-outs	3 to 20 years	(5% to 33.3%)
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 – inmate	3 years	(33.3%)
Information technology - network	5 years	(20%)
Information technology – specialised	3 to 8 years	(12.5% to 33.3%)
Information technology – PC-based	3 years	(33.3%)
Motor vehicles – heavy duty	8 years	(12.5%)
Motor vehicles – other	5 years	(20%)

The useful life of buildings is reassessed following any revaluation.

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

INVENTORY

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

EMPLOYEE ENTITLEMENTS

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

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

STATEMENT OF CASH FLOWS

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

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

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

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

LIVESTOCK

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

INVESTMENTS

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

FOREIGN CURRENCY

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

FINANCIAL INSTRUMENTS

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

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

GOODS AND SERVICES TAX (GST)

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

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

TAXATION

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 1994. Accordingly, no charge for income tax has been provided for.

COMMITMENTS

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

CONTINGENT LIABILITIES

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

TAXPAYERS' FUNDS

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

CHANGES IN ACCOUNTING POLICIES

There has been a change in accounting policy in respect of the revaluation of forestry assets. Previously, the result of revaluing forestry was credited or debited to an asset revaluation reserve for that class of asset. Where a revaluation would have resulted in a debit balance in the revaluation reserve the debit balance was expensed in the Statement of Financial Performance. The change is that the result of revaluing forestry is now credited or debited to the Statement of Financial Performance.

This change has no impact on the financial results for the Department as at 30 June 2004.

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

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

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2004

30/06/03 Actual			30/06/04 Actual	30/06/04 Main	30/06/04 Supp.
				Estimates	Estimates
\$000		Notes	\$000	\$000	\$000
	REVENUE				
431,389	Crown		462,142	439,860	462,142
734	Departmental		1,276	1,496	1,752
24,027	Other	1	25,752	23,498	26,998
456,150	Total operating revenue		489,170	464,854	490,892
	EXPENDITURE				
219,191	Personnel costs	2	240,949	225,872	242,040
145,313	Operating costs	3	150,562	135,974	152,132
44,084	Depreciation	4	44,511	46,500	46,500
48,606	Capital charge	5	51,897	56,508	51,897
457,194	Total output expenses		487,919	464,854	492,569
_	Other expenses		7,697	-	2,500
457,194	Total expenses		495,616	464,854	495,069
(1,044)	Net surplus/(deficit)		(6,446)	-	(4,177)

For information on major variances against budget refer to Note 17 (page 80).

 $[\]label{thm:companying} The\ accompanying\ accounting\ policies\ and\ notes\ form\ part\ of\ these\ financial\ statements.$

STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS

FOR THE YEAR ENDED 30 JUNE 2004

30/06/03 Actual			30/06/04 Actual	30/06/04 Main Estimates	30/06/04 Supp. Estimates
\$000	N	lotes	\$000	\$000	\$000
559,341	TAXPAYERS' FUNDS BROUGHT FORWARD AS AT 1 JULY Movements during the year (other than flows to and from the Crown)		610,557	616,036	610,557
(1,044) (3,289)	Add/(deduct) net surplus/(deficit) Increase/(decrease) in revaluation reserves	6	(6,446) 20	- -	(4,177) -
(4,333)	Total recognised revenues and expenses for the period		(6,426)	-	(4,177)
	Adjustment for flows to and from the Crown				
56,695	Add capital contributions from the Crown during the year	6	69,761	97,520	69,761
(1,146)	Provision for payment of surplus to the Crown Other	11	(1,251)	-	-
-	Add/(deduct) asset/liability transfers between the Department and the Crown		348	_	348
55,549	Total adjustments for flows to and from the Crown		68,858	97,520	70,109
610,557	Taxpayers' funds at end of the yea	r	672,989	713,556	676,489

The accompanying accounting policies and notes form part of these financial statements. For information on major variances against budget refer to Note 17 (page 80).

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2004

30/06/03 Actual			30/06/04 Actual	30/06/04 Main Estimates	30/06/04 Supp. Estimates
\$000	N	lotes	\$000	\$000	\$000
	ASSETS				
	Current Assets				
64,369	Cash and bank balances	14	78,735	28,282	51,719
897	Prepayments		643	600	850
4,306	Accounts receivable	7	5,306	2,900	4,300
4,143	Inventories		4,569	3,500	4,100
73,715	Total current assets		89,253	35,282	60,969
	Non-current assets				
6,526	Livestock		6,840	9,287	6,526
5,377	Investments	8	5,673	3,700	5,748
604,112	Physical assets	9	652,182	742,287	687,323
616,015	Total non-current assets		664,695	755,274	699,597
689,730	Total assets		753,948	790,556	760,566
	LIADULTICO				
	LIABILITIES Current liabilities				
42,971	Accounts payable	10	37,824	44,000	43,400
1,146	Provision for repayment of surplus	11	1,251	44,000	43,400
26,220	Provision for employee entitlements	12	31,026	24,000	28,000
<u> </u>	<u> </u>		<u> </u>	<u> </u>	<u> </u>
70,337	Total current liabilities		70,101	68,000	71,400
	Term liabilities				
8,836	Provision for employee entitlements	12	10,858	9,000	12,677
8,836	Total term liabilities		10,858	9,000	12,677
79,173	Total liabilities		80,959	77,000	84,077
040.000	TAXPAYERS' FUNDS	0	070.754	740.040	070.074
610,339	General funds	6	672,751	710,049	676,271
218	Revaluation reserves	6	238	3,507	218
610,557	Total taxpayers' funds		672,989	713,556	676,489
689,730	Total liabilities and taxpayers' fund	ds	753,948	790,556	760,566

For information on major variances against budget refer to Note 17 (page 80).

 $[\]label{thm:companying} The\ accompanying\ accounting\ policies\ and\ notes\ form\ part\ of\ these\ financial\ statements.$

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2004

30/06/03 Actual		30/06/04 Actual	30/06/04 Main Estimates	30/06/04 Supp. Estimates
\$000	Note	\$000	\$000	\$000
	CASH FLOWS FROM OPERATING ACTIVITIES	S		
	Cash provided from:			
	Supply of outputs to			
431,389	Crown	462,142	439,860	462,142
734	Departments	1,276	1,496	1,752
21,895	Other	24,460	23,498	27,004
	Cash disbursed to:			
(217,052)	Personnel	(234,121)	(225,872)	(242,040)
(142,228)	Operating	(151,437)	(135,974)	(146,266)
(260)	Net GST paid	839	-	-
(48,606)	Capital charge	(51,897)	(56,508)	(51,897)
45,872	Net cash flows from 13	51,262	46,500	50,695
	operating activities			
	CASH FLOWS FROM INVESTING ACTIVITIES			
	Cash provided from:			
_	Sale of investments			(23)
5,505	Sale of physical assets	1,656	1,950	1,801
3,303	Cash disbursed to:	1,050	1,950	1,001
(962)	Purchase of investments	_		_
(93,041)	Purchase of physical assets	(107,167)	(155,525)	(133,738)
(88,498)	Net cash flows from investing activities	(105,511)	(153,575)	(131,960)
	CASH FLOWS FROM FINANCING ACTIVITIES			
F0.00F	Cash provided from:	00.704	07.500	00.704
	Capital contribution from the Crown	69,761	97,520	69,761
56,695				
	Cash disbursed to:			
(6,672)	Cash disbursed to: Payment of surplus to the Crown	(1,146)	_	(1,146)
		(1,146) 68,615	97,520	(1,146) 68,615
(6,672)	Payment of surplus to the Crown		97,520 (9,555)	68,615
(6,672) 50,023	Payment of surplus to the Crown Net cash flows from financing activities	68,615	<u> </u>	(1,146) 68,615 (12,650) 64,369

The accompanying accounting policies and notes form part of these financial statements. For information on major variances against budget refer to Note 17 (page 80).

STATEMENT OF COMMITMENTS

AS AT 30 JUNE 2004

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

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

30/06/03 Actual \$000		30/06/04 Actual \$000
	Non-cancellable accommodation leases	
5,447	Less than one year	5,254
4,066	One to two years	3,837
9,522	Two to five years	8,332
3,643	More than five years	1,740
22,678		19,163
	Commitments arising from other contracts	
23,554	Less than one year	28,842
14,967	One to two years	12,577
467	Two to five years	22,273
_	More than five yers	-
38,988		63,692
	Capital Commitments	
59,217	Less than one year	50,740
32,746	One to two years	91
-	Two to five years	-
-	More than five years	-
91,963		50,831
153,629	Total commitments	133,686

The increase in operating commitments is largely due to the renewal of contracts with the New Zealand Prisoners' Aid and Rehabilitation Society for the provision of reintegrative services, Chubb New Zealand Limited for the provision of escort services in Northland and Auckland, and Telecom New Zealand for the provision of network services. This has been partially offset by the reduction in the commitment to GEO Pty Australia Limited, which has the management contract of Auckland Central Remand Prison, which expires in 2005.

The decrease in capital commitments is largely due to the contracts entered into for the construction of Northland Region Corrections Facility nearing completion.

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

STATEMENT OF CONTINGENT LIABILITIES

AS AT 30 JUNE 2004

30/06/03 Actual \$000		30/06/04 Actual \$000
5,719	Legal proceedings	5,915
1,074	Personal grievances	1,088
6,793	Total Contingent Liabilities	7,003

The Department is defending 21 legal proceedings claims by inmates and external parties as at 30 June 2004. They cover a range of areas, including breach of the New Zealand Bill of Rights and breach of contract.

The Department is also defending personal grievances made by 26 staff members.

The Department considers over 40 percent of these claims to be low risk.

GUARANTEES AND INDEMNITIES

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

STATEMENT OF UNAPPROPRIATED EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2004

(Figures are GST-inclusive where applicable)

30/06/03 Unapprop. Expenditure		30/06/04 Actual	30/06/04 Appropriation	30/06/04 Unapprop. Expenditure
\$000	Output Class	\$000	\$000	\$000
_	Information Services	29,276	29,846	_
_	Community-based Sentences			
	and Orders	65,619	65,940	-
-	Custody of Remand Inmates	53,618	54,119	-
_	Escorts and Custodial			-
	Supervision	6,744	7,017	-
_	Custodial Services	287,783	287,941	-
-	Inmate Employment	41,606	43,007	-
-	Rehabilitative Programmes and	49,758	51,038	-
	Reintegrative Services			
_	Services to the New Zealand Parole Board	6,004	6,160	_
-	Policy Advice and Development	4,490	4,579	-
	Service Purchase and Monitoring	4,168	4,283	
-				-
-	Other Expenses	7,697	2,500	5,197

Unappropriated expenditure in Other Expenses is due to the revaluation of forests at 30 June 2004.

Approval of this unappropriated expenditure has been given by the Minister of Finance in terms of section 12 of the Public Finance Act 1989.

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

STATEMENT OF DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS

FOR THE YEAR ENDED 30 JUNE 2004

(Figures are GST-inclusive where applicable)	30/06/04 Expenditure Actual \$000	30/06/04 Appropriation Voted* \$000
VOTE: CORRECTIONS		
Appropriations for classes of outputs		
Information Services	29,276	29,846
Community-based Sentences and Orders	65,619	65,940
Custody of Remand Inmates	53,618	54,119
Escorts and Custodial Supervision	6,744	7,017
Custodial Services	287,783	287,941
Inmate Employment	41,606	43,007
Rehabilitative Programmes and Reintegrative Services	49,758	51,038
Services to the New Zealand Parole Board	6,004	6,160
Policy Advice and Development	4,490	4,579
Service Purchase and Monitoring	4,168	4,283
Sub-total	549,066	553,930
Appropriation for capital contributions	69,761	69,761
Appropriation for other expenses		
Revaluation Losses	7,697	2,500
Total	626,524	626,191

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

Output Class	Supplementary Estimates \$000	Section 5 Transfers \$000	Final Appropriation \$000
Custody of Remand Inmates	51,542	2,577	54,119
Escorts and Custodial Supervision	6,792	225	7,017
Rehabilitation Programmes and Reintegrative Services	53,840	(2,802)	51,038
Net Adjustment		0	

The transfers were made because of a higher proportion of remand inmates to total inmate numbers. As sentenced inmates were tracking close to budget the Department was unable to transfer the funds from the Custodial Services output class. Instead the Rehabilitation Programmes and Reintegrative Services output class was used as this was under budget due to programme cancellations.

 $\label{thm:companying} The\ accompanying\ accounting\ policies\ and\ notes\ form\ part\ of\ these\ financial\ statements.$

STATEMENT OF TRUST MONIES

AS AT 30 JUNE 2004

Account	As at 01/07/03	Contribution	Distribution	Revenue	Expenses	As at 30/06/04
	\$000	\$000	\$000	\$000	\$000	\$000
Prison Trust Accounts	395	8,224	8,150	-	-	469
	395	8,224	8,150	_	_	469

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

SCHEDULE OF NON-DEPARTMENTAL ASSETS

AS AT 30 JUNE 2004

Non-Departmental Assets are administered by the Department on behalf of the Crown.

30/06/03 Actual \$000		30/06/04 Actual \$000	30/06/04 Main Estimates \$000	30/06/04 Supp. Estimates \$000
	Vote Corrections			
	Non-current assets			
348	Investments	-	348	-
348	Total Non-Departmental Assets	-	348	-

At 30 June 2003 the Department had some shares transferred from the Treasury. At this stage these were Crown shares. During the 2003/04 financial year the Department obtained Treasury approval to transfer these shares into departmental operations. These are now included in the Department's Statement of Financial Position.

The Department has no revenue, expenditure, liabilities, commitments or contingencies in relation to non-departmental activities.

STATEMENT OF ACCOUNTING POLICY FOR NON-DEPARTMENTAL INFORMATION

Measurement and recognition rules applied in the preparation of this schedule are consistent with generally accepted accounting practice and Crown accounting policies.

Investments are valued at the lower of cost or net realisable value.

This non-departmental balance is consolidated into the Crown Financial Statements and therefore readers of this schedule should also refer to the Crown Financial Statements for 2003/04.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

NOTE 1: REVENUE OTHER

30/06/03 Actual		30/06/04 Actual	30/06/04 Main Estimates	30/06/04 Supp. Estimates
\$000		\$000	\$000	\$000
14,549	Timber and livestock	15,076	15,603	15,165
1,063	Rents	1,257	1,009	1,009
8,076	Prison industry sales	9,261	6,604	10,542
339	Other	158	282	282
24,027	Total revenue other	25,752	23,498	26,998

NOTE 2: PERSONNEL COSTS

30/06/03 Actual		30/06/04 Actual	30/06/04 Main Estimates	30/06/04 Supp. Estimates
\$000		\$000	\$000	\$000
218,329	Salaries and wages	237,252	225,872	242,040
862	Retirement and long service leave	3,697	-	-
219,191	Total personnel costs	240,949	225,872	242,040

NOTE 3: OPERATING COSTS

30/06/03 Actual \$000		30/06/04 Actual \$000	30/06/04 Main Estimates \$000	30/06/04 Supp. Estimates \$000
7,558	Operating lease rentals	8,061	8,386	8,619
210	Audit fees to auditors for audit of the financial statements	218	210	210
115	Fees to auditors for other services provided	188	-	_
22,023	Facilities maintenance	27,291	20,842	22,380
21,941	Offender management costs	24,293	24,707	25,249
12,539	Computer costs	13,491	13,011	14,245
15,908	Contract management	16,299	16,092	16,489
37,946	Administration	34,885	29,574	38,163
21,660	Other operating costs	22,248	23,152	26,777
5,413	Write down of fixed assets	3,588	_	_
145,313	Total operating costs	150,562	135,974	152,132

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

NOTE 4: DEPRECIATION

30/06/03 Actual		30/06/04 Actual	30/06/04 Main Estimates	30/06/04 Supp. Estimates
\$000		\$000	\$000	\$000
27,046	Buildings	28,589	28,800	28,800
731	Leasehold improvements	628	800	800
2,502	Plant and equipment	2,812	4,000	4,200
667	Furniture and fittings	747	900	900
9,707	Computer equipment	8,137	9,000	8,800
3,431	Motor vehicles	3,598	3,000	3,000
44,084	Total depreciation charge	44,511	46,500	46,500

NOTE 5: CAPITAL CHARGE

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

The capital charge rate for the year ended 30 June 2004 was 8.5 percent per annum (2003: 8.5%).

NOTE 6: TAXPAYERS' FUNDS

Taxpayers' Funds comprises two components:

General Funds					
30/06/03			30/06/04	30/06/04	30/06/04
Actual			Actual	Main	Supp.
				Estimates	Estimates
\$000			\$000	\$000	\$000
555,834	General funds as at 1 July		610,339	612,529	610,339
(1,044)	Net operating surplus/(deficit)		(6,446)	-	(4,177)
56,695	Capital contribution		69,761	97,520	69,761
55,651			63,315	97,520	65,584
(1,146)	Provision for repayment of surplus to the Crown	11	(1,251)	-	-
-	Asset/liability transfers between		348	-	348
	the Department and the Crown				
610,339	General funds as at 30 June		672,751	710,049	676,271
Revaluation Res	erve				
30/06/03			30/06/04	30/06/04	30/06/04
Total			Livestock	Investments	Total
Actual					Actual
\$000			\$000	\$000	\$000
3,507	Balance brought forward		218	_	218
(3,289)	Revaluation changes at 30 June		20	-	20
218	Balance at 30 June		238	-	238

NOTE 7: DEBTORS AND RECEIVABLES

30/06/03 Actual \$000		30/06/04 Actual \$000
4,412	Trade debtors	5,149
228	Other	481
(334)	Provision for doubtful debts	(324)
4,306	Total debtors and receivables	5,306

NOTE 8: INVESTMENTS

The increase in investments is primarily due to the transfer of Ballance Agrinutrients shares from the Crown to the Department.

NOTE 9: PHYSICAL ASSETS

0/06/03 Actual \$000		30/06/04 Actua \$000
	Freehold land	
769	At cost	574
74,375	At valuation – 30 June 2002	74,37
75,144	Land – net book value	74,94
	Buildings	
60,044	At cost	82,74
344,576	At valuation – 30 June 2002	344,570
(27,020)	Accumulated depreciation	(55,52
377,600	Buildings – net book value	371,79
	Leasehold improvements	
8,136	At cost	7,60
(4,492)	Accumulated depreciation	(3,37
3,644	Leasehold improvements – net book value	4,22
	Forests	
37,277	At valuation	29,40
37,277	Forests – net book value	29,40
	Plant and equipment	
27,680	At cost	29,81
(17,134)	Accumulated depreciation	(18,42)
10,546	Plant and equipment – net market value	11,39
	Furniture and Fittings	
6,238	At cost	6,57
(4,466)	Accumulated depreciation	(4,34)
1,772	Furniture and fittings – net book value	2,23
	Computer equipment (incl software)	
60,424	At cost	65,72
(35,071)	Accumulated depreciation	(40,03
25,353	Computer equipment – net book value	25,69
	Motor vehicles	
30,601	At cost	31,14
(15,909)	Accumulated depreciation	(16,99
14,692	Motor vehicles – net book value	14,14
50.000	Items under construction	440.47
50,029	Buildings	113,47
8,055	Computer equipment	4,87
58,084	Items under construction – net book value	118,35
700.004	Total fixed assets	700.00
708,204	At cost and valuation	790,88
(104,092)	Accumulated depreciation	(138,69
604,112	Total carrying amount of fixed assets	652,18

Freehold land and buildings were valued at fair value as at 30 June 2002 by an independent registered valuer, v*aluersnet.NZ*. This valuation was completed by M W Lauchlan ANZIV SNZPI.

The annual valuation of forests was undertaken by departmental staff and was reviewed by an independent registered valuer, P F Olsen and Company Limited, on 30 June 2004. This valuation was completed by T Vos, registered forestry contractor, NZIF.

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

NOTE 10: CREDITORS AND PAYABLES

30/06/03 Actual \$000		30/06/04 Actual \$000
12,716	Trade creditors	12,232
28,036	Accrued expenses	22,534
2,219	GST payable	3,058
42,971	Total creditors and payables	37,824

NOTE 11: PROVISION FOR REPAYMENT OF SURPLUS TO THE CROWN

30/06/03 Actual \$000		30/06/04 Actual \$000
(1,044)	Net surplus/(deficit)	(6,446)
-	Add: Other expenses (not for production of outputs)	7,697
(1,044)	Net surplus/(deficit) from delivery of outputs	1,251
1,146	Net gain on sale of fixed assets (if not already included in output surpluses)	-
1,146	Total provision for repayment of surplus to the Crown	1,251

NOTE 12: EMPLOYEE ENTITLEMENTS

	Actual \$000
Current liabilities	
Retirement and long service leave	9,831
Annual leave	21,195
Total current portion	31,026
Non-current liabilities	
Retirement and long service leave	10,858
Total non-current portion	10,858
Total provision for employee entitlements	41,884
	Retirement and long service leave Annual leave Total current portion Non-current liabilities Retirement and long service leave Total non-current portion

The non-current portion of employee entitlements is calculated on an actuarial basis. A review of this calculation was undertaken by AON Consulting during the 2003/04 financial year.

NOTE 13: RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2004

30/06/03 Actual		30/06/04 Actual	30/06/04 Main Estimates	30/06/04 Supp. Estimates
\$000		\$000	\$000	\$000
(1,044)	Net surplus/(deficit)	(6,446)	_	(4,177)
	Add/(less) non-cash items			
44,084	Depreciation	44,511	46,500	46,500
(124)	Inc/(dec) in non-current	2,022	_	3,841
	employee entitlements			
5,712	Inc/(dec) other non-cash items	11,086	-	2,500
49,672	Total non-cash items	57,619	46,500	52,841
	Working capital movements			
(1,834)	(Inc)/dec in receivables	(1,000)	_	6
(903)	(Inc)/dec in inventories	(426)	_	43
(395)	(Inc)/dec in prepayments	254	_	47
(741)	Inc/(dec) in creditors and payables	(3,509)	_	155
2,263	Inc/(dec) in current employee entitlements	4,806	-	1,780
(1,610)	Working capital movements – net	125	-	2,031
_	Add/(less) investing activity items	-	-	-
(1,146)	Net loss/(gain) on sale of physical assets	(36)	-	_
(1,146)	Total investing activity items	(36)	-	-
45,872	Net cash flow from operating activities	51,262	46,500	50,695

NOTE 14: FINANCIAL INSTRUMENTS

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

CASH

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

CREDIT RISK

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

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

FAIR VALUE

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

CURRENCY RISK

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

INTEREST RATE RISK

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

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

NOTE 15: CONTINGENCIES

The Department does not have any contingent assets as at 30 June 2004 (30 June 2003: nil).

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

NOTE 16: RELATED PARTY INFORMATION

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

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

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

NOTE 17: MAJOR BUDGET VARIATIONS

STATEMENT OF FINANCIAL POSITION, STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS AND STATEMENT OF CASH FLOWS

Revenue Crown operarting costs and personnel are more than projected in the Mains Estimates process due to an increase in appropriation for the Department's Output Pricing Review and bargaining round.

General funds, physical assets and net cash flows from financing activities are less than projected in the Mains Estimates process due to the transfer of capital contributions from 2003/2004 to 2004/2005 and 2005/2006.

Revaluation reserves are less than projected in the Mains Estimates process due to a decrease in the value of forests.

The increase in cash reflects the decrease in fixed assets spending. This is also reflected in the Statement of Cash Flows. While the cash received in respect of operating activities was close to budget, the net cash outflow from investing activities was approximately \$48 million less than budgeted. This resulted in an increased closing cash position.

Creditors and payables were lower than projected in the Mains Estimates primarily due to timing issues arising from when payments were made at the end of the financial year.

NOTE 18: POST BALANCE DATE EVENTS

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

SERVICE PERFORMANCE OUTPUT PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004

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 presentence reports (level 2 assessment reports), reparation reports, same-day reports (level 1 assessment reports), home detention reports and assessments, oral information reports and home leave and pre-release reports for prisons. Special purpose reports and advice are prepared for other relevant entities. Also included is the time Probation Officers spend attending court hearings.

OUTPUT CLASS STATEMENT: INFORMATION SERVICES

FOR THE YEAR ENDED 30 JUNE 2004

30/06/03 Actual \$000		30/06/04 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
23,623	Crown	26,483	25,417	26,483
0	Other	0	0	0
23,623	Total Revenue	26,483	25,417	26,483
23,519	Total Expenses	25,966	25,417	26,535
104	Net Surplus/(Deficit)	517	0	(52)



OUTPUT 1.1: SENTENCING INFORMATION AND ADVICE TO COURTS

Performance Standard

	Budget	Actual	Variance
Quantity			
The number of reports to courts:	27,700-31,700 ³	28,135	Nil
The number of hours for attendance at courts:	54,000–59,400 ³	59,467	67 (<1%)
Quality			
The percentage of reports provided to the standards contained in the relevant service descriptions and Probation and Offender Services Manual to be no less than:	95%	94%	-1%
 written reports in a specified format 			
 verification process specified/rationale for no verification 			
concise, logical and grammatically correct			
 clear statement of recommendation consistent with the law. 			
The number of written complaints from judges to be no more than:	15	4	-11
Timeliness			
The percentage of reports to courts provided to a timetable set through service level agreements to be no less than:	98%	94%	-4%

COMMENT

The total number of complaints received from the judiciary was well below that forecast. All complaints were satisfactorily resolved.

 $^{^3}$ Ministerial approval was received to change these performance measures from 25,000–29,000 and 52,000–57,000 respectively.



P

Performance Standard

	Budget	Actual	Variance
Quantity			
The number of New Zealand Parole Board pre-release			-304
reports prepared for inmates:	4,400	4,096	(-7%)
Quality			
The percentage of New Zealand Parole Board pre-release reports provided to the standards contained in the relevant service descriptions, Public Prisons Service Manual and Public Prisons Service Sentence Management Manual:	100%	100%	Nil
the reports are clear and concise, identifying major points to enable the Board to make a decision on the inmate's release	100%	100%	1411
 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 inmate is involved in the development of his or her report 			
 reports for the New Zealand Parole Board are provided at least one month before the Board sits. 			
Timeliness			
The percentage of New Zealand Parole Board pre-release			
reports provided within the deadlines set by the Board:	100%	100%	Nil

COMMENT

The number of pre-release reports prepared for the New Zealand Parole Board was below forecast levels for the year. This is a demand-driven output, with the number of reports affected by the impact of the Sentencing Act 2002 and Parole Act 2002. All reports produced met the timeliness and quality standards.



OUTPUT 1.3: HOME LEAVE REPORTS

Performance Standard

	Budget	Actual	Variance
Quantity			
The number of home leave reports:	660–8604	864	4 (<1%)
Quality			
The percentage of home leave reports provided to the standards contained in the relevant service descriptions and Probation and Offender Services Manual to be no less than:	98%	99%	1%
 reports completed and all questions addressed concise, logical and grammatically correct. 			
Timeliness			
The percentage of home leave reports provided within two weeks of request to be no less than:	98%	98%	Nil

COMMENT

The quantity result for this output is driven by demand, which has changed since the introduction of the Sentencing Act 2002 and Parole Act 2002. The changed target reflected anticipated year-end results as at December 2003.

 $^{^4\,\}mbox{Ministerial}$ approval was received to change this performance measure from 1,200–1,400.

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

P

Performance Standard

	Budget	Actual	Variance
Quantity			
The number of home detention specialist reports:	3,900–4,5005	4,124	Nil
Quality			
The percentage of home detention specialist reports provided to the standards contained in the relevant service descriptions and Probation and Offender Services Manual to be no less than:	98%	99%	1%
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 two weeks of request to be no less than:	98%	92%	-6%

COMMENT

The high demand for home detention assessments early in the year, which necessitated an adjustment to the quantity target, resulted in difficulties achieving the timeliness standard. Although timeliness improved in the remainder of the year, performance remained slightly below the target.

⁵Ministerial approval was received to change this performance measure from 3,000–3,600.



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

Performance Standard

	Budget	Actual	Variance
Quantity			
The number of New Zealand Parole Board reports:	570–630	770	140 (22%)
The number of reports to courts:	100	139	39 (39%)
Quality			
The percentage of New Zealand Parole Board reports provided to the standards contained in service descriptions and the Psychological Service Manual to	000	400%	20/
be no less than: The percentage of reports to courts provided to the standards contained in the service descriptions and	98%	100%	2%
Psychological Service Manual to be no less than:	98%	100%	2%
written reports in a specified format			
concise, logical and grammatically correct			
 source and reason for referral are clearly stated 			
all relevant and appropriate information included			
 sources of information well documented and verified 			
 clear statement of recommendations for further investigation 			
 complies with the Code of Ethics of the New Zealand Psychological Society 1986. 			
Timeliness			
The percentage of New Zealand Parole Board reports provided within deadlines set by the Board to be:	100%	99%	-1%
The percentage of reports to courts provided to a timetable set through service level agreements to be:	100%	100%	Nil

COMMENT

The demand for reports to the New Zealand Parole Board has exceeded forecasts, and reflects the increased number of cases heard by the Board.

The demand for psychological reports to courts has significantly exceeded forecasts. The Department has been working with the Ministry of Justice to develop guidelines for requesting reports to courts.

OUTPUT CLASS 2

COMMUNITY-BASED SENTENCES AND ORDERS

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

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 throughput of 43,800 new sentences and orders.

OUTPUT CLASS STATEMENT: COMMUNITY-BASED SENTENCES AND ORDERS

FOR THE YEAR ENDED 30 JUNE 2004

30/06/03 Actual \$000		30/06/04 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
53,401	Crown	58,512	56,036	58,512
0	Other	0	0	0
53,401	Total Revenue	58,512	56,036	58,512
53,350	Total Expenses	58,305	56,036	58,627
51	Net Surplus/(Deficit)	207	0	(115)



OUTPUT 2.1: SUPERVISION

Performance Standard

	Budget	Actual	Variance
Quantity			
The number of supervision sentences:	4,500-5,500 ⁶	4,928	Nil
Quality			
The percentage of offenders who comply with the special			
conditions imposed as part of their sentence to be no			
less than:	68%	73%	5%

COMMENT

The changed target reflected anticipated year-end results as at December 2003.

P

OUTPUT 2.2: COMMUNITY WORK

Performance Standard

	Budget	Actual	Variance
Quantity The number of community work sentences:	28,600–30,6007	28,043	-557 (-2%)
Quality The percentage of offenders who successfully complete a community work sentence to be no less than:	70%	76%	6%

COMMENT

The number of community work sentences depends on sentences passed by the courts and is outside the Department's control. The changed target reflected anticipated year-end results as at December 2003. The quality measure for this output was exceeded.

 $^{^6\,\}mbox{Ministerial}$ approval was received to change this performance measure from 5,800–6,800.

 $^{^7\,\}mathrm{Ministerial}$ approval was received to change this performance measure from 28,000–30,000.

OUTPUT 2.3: HOME DETENTION ORDERS



Performance Standard

	Budget	Actual	Variance
Quantity			
The number of offenders directed to complete a home detention order:	2,100–2,3008	1,950	-150 (-7%)
Quality			
The percentage of offenders on home detention with a sentence plan to address their rehabilitative needs, or are in employment, to be no less than:	98%	84%	-14%

COMMENT

A trend in the first quarter of the year indicating an increasing number of offenders starting home detention was used in the reforecasting process to raise the budget target. However, the volume increase was not as high as anticipated, with a plateau of monthly new starts occurring. Compared with 2002/03, there were 24 percent more offenders starting home detention in 2003/04.

The quality measure may underestimate compliance with the criteria for sentence plans in the output. Information is collected manually for this measure, and there is some evidence that shows a higher compliance rate than reported. The method of reporting against this measure is being changed.

 $^{^8\,\}mbox{Ministerial}$ approval was received to change this performance measure from 1,500–1,700.



OUTPUT 2.4: PAROLE ORDERS

Performance Standard

	Budget	Actual	Variance
Quantity			
The number of inmates directed to complete a parole order:	850–1,350 ⁹	1,308	Nil
Quality			
The percentage of offenders who comply with the special conditions imposed as part of their order			
to be no less than:	65%	72%	7%

COMMENT

The Department has met or exceeded all performance measures in managing parole orders.

P

OUTPUT 2.5: ORDERS FOR POST-RELEASE CONDITIONS

Performance Standard

	Budget	Actual	Variance
Quantity			
The number of inmates released on post-release conditions imposed by the court:	3,300-3,70010	3,457	Nil
Quality			
The percentage of offenders who comply with the conditions imposed as part of their order to be no			
less than:	65%	70%	5%

 $^{^{9}\,\}text{Ministerial}$ approval was received to change this performance measure from 2,000–2,500.

 $^{^{\}rm 10}\,\text{Ministerial}$ approval was received to change this performance measure from 2,400–2,800.

OUTPUT CLASS 3

CUSTODY OF REMAND INMATES

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

It provides for an estimated throughput of 8,657 new remand inmates, representing an average prison population of 943 remand inmates. This demand is met by approximately 1,017 beds across 16 remand facilities with any overflow accommodated in segregated custodial facilities.

OUTPUT CLASS STATEMENT: CUSTODY OF REMAND INMATES

FOR THE YEAR ENDED 30 JUNE 2004

30/06/03 Actual \$000		30/06/04 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
48,985	Crown	47,674	46,048	47,674*
0	Other	0	0	0
48,985	Total Revenue	47,674	46,048	47,674*
48,806	Total Expenses	47,659	46,048	48,160*
179	Net Surplus/(Deficit)	15	0	(486)

^{*} This figure also includes the following adjustment under section 5 of the Public Finance Act 1989:

Supplementary	Section 5	Final
Estimates	Transfers	Appropriation
\$000	\$000	\$000
45,869	2,291	

This transfer was made because of a higher proportion of remand inmates to total inmate numbers. As sentenced inmates were tracking close to budget the Department was unable to transfer the funds from the Custodial Services output class. Instead the Rehabilitation Programmes and Reintegrative Services output class was used as this was under budget due to course cancellations.



OUTPUT 3.1: CUSTODY OF REMAND INMATES

Performance Standard

	Full Year Budget	YTD Actual	YTD Variance
Quantity			
The average number of remand inmates held by the			
Auckland Central Remand Prison:	257	263	6 (2%)
Public Prisons Service:	686	886	200 (29%)
Quality			
The number of breakouts per annum to be no more than:	2	0	-2
The number of all other escapes per annum to be no more than:	1	0	-1
The number of breakouts per annum from Auckland Central Remand Prison to be:	0	0	Nil

COMMENT

This measure is influenced by rates of arrests and decisions of the judiciary and is outside the Department's control. The number of remand inmates continued to be significantly in excess of levels forecast by the Ministry of Justice, a trend evident since the start of the financial year.

OUTPUT CLASS 4

ESCORTS AND CUSTODIAL SUPERVISION

This output class provides for safe, secure and humane services and facilities for transportation of inmates to and from court, and their safe and humane custody while at court.

OUTPUT CLASS STATEMENT: ESCORTS AND CUSTODIAL SUPERVISION

FOR THE YEAR ENDED 30 JUNE 2004

30/06/03 Actual \$000		30/06/04 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
5,448	Crown	6,238	5,877	6,238*
0	Other	0	0	0
5,448	Revenue	6,238	5,877	6,238*
5,403	Total Expenses	5,964	5,877	6,238*
45	Net Surplus	274	0	0

^{*} This figure also includes the following adjustment under section 5 of the Public Finance Act 1989:

Supplementary	Section 5	Final
Estimates	Transfers	Appropriation
\$000	\$000	\$000
6.038	200	

This transfer was made because of a higher proportion of remand inmates to total inmate numbers. As sentenced inmates were tracking close to budget the Department was unable to transfer the funds from the Custodial Services output class. Instead the Rehabilitation Programmes and Reintegrative Services output class was used as this was under budget due to course cancellations.



OUTPUT CLASS 4.1: ESCORT SERVICES

Performance Standard

	Budget	Actual	Variance
Quantity			
The number of inmates escorted to and from court in			
Northland/Auckland (including Police escorts):	26,487–29,011	31,120	2,109 (7%)
Remainder of New Zealand (excluding Police escorts):	7,835–8,648	9,177	529 (6%)
Quality			
The number of escapes by inmates during escort to and from court to be no more than:	1	211	1

COMMENT

The higher than forecast number of escorts reflected significantly increased numbers of remand inmates, resulting in increased court visits. Additional court tasks and the impact of multi-defendant trials were further contributing factors to the overall higher numbers of inmates escorted. These factors affected both escorts provided directly by the Public Prisons Service and under the contract with Chubb New Zealand Limited to provide these services in Auckland and Northland.

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

¹¹ Of the two escapes, one occurred as part of the contract the Department has with Chubb New Zealand Limited to provide prison escort and courtroom custodial services in Northland and Auckland.



P

Performance Standard

	Budget	Actual	Variance
Quantity			
The number of inmates supervised in courts in			
Northland/Auckland:	5,944–6,558	7,164	606 (9%)
The remainder of New Zealand:	8,512–9,388	10,151	763 (8%)
Quality			
The number of escapes by remand inmates and sentenced inmates while they are held in custody at court to be:	0	0	Nil

COMMENT

Significantly increased numbers of remand inmates, particularly in the Northern Region, resulted in increased court visits. In addition, significant levels of court hours and the impact of multi-defendant trials were further contributing factors to the overall higher numbers of inmates supervised in court, both directly by Public Prisons Service officers and Chubb New Zealand Limited officers on court supervision duty.

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 inmates classified as maximum, medium and minimum security. Youth under 17 years of age and vulnerable 17- to 19-year-olds will be housed in specialist youth units. Also included are the management of specialist facilities and drug reduction initiatives.

It provides for an estimated throughput of 7,211 new inmates, representing an average prison population of 4,823 inmates. This requires the provision of approximately 5,384 beds and associated facilities at 19 sites to meet security, gender, age and other inmate needs 24 hours a day.

OUTPUT CLASS STATEMENT: CUSTODIAL SERVICES

FOR THE YEAR ENDED 30 JUNE 2004

30/06/03 Actual \$000		30/06/04 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
234,755	Crown	254,810	241,430	254,810
0	Departmental	418	0	256
0	Other	0	0	0
234,755	Total Revenue	255,228	241,430	255,066
233,919	Total Expenses	255,879	241,430	256,058
836	Net Surplus/(Deficit)	(651)	0	(992)

Performance Standard

	Budget	Actual	Variance
Quantity The average number of maximum security sentenced inmates:	130	99	-31 (-24%)

Quality

The percentage of sentenced inmates with inmate management plans prepared and managed to the standards in the relevant service description, Public Prisons Service Policy and Procedures Manual, and Public Prisons Service Sentence Management Manual:

- on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action
- assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available
- the inmate is placed in to the appropriate work/programme
- the inmate attends the allocated work/programme
- all information is recorded and filed on the inmate's file

case management plans are reviewed as per the plan.	100%	72%	-28%
The number of breakouts per annum to be no more than:	0	0	Nil
The number of non-returns from temporary release			
per annum:	0	0	Nil
The number of all other escapes per annum:	0	0	Nil

COMMENT

The average number of maximum security inmates is initially influenced by rates of arrests and decisions of the judiciary and is outside the Department's control. Thereafter the security classification of individual inmates becomes a function of the offence type and the security risk posed by the inmate population. There has been a trend downwards in the maximum security inmate population over the last 12 months.

The percentage of sentenced inmates with sentence management plans is below the standard and reflects the current backlog of plans within the Public Prisons Service. This backlog is primarily attributable to:

- the timing differential between the decision to reduce the number of sentence planners in the Northern Region and the recruitment of additional sentence planners in the other regions
- significantly increased numbers of remand inmates and an associated higher level of inmate movements as a result of muster pressures, particularly in the upper North Island.



OUTPUT 5.2: CUSTODIAL SERVICES - MEDIUM SECURITY MEN

Performance Standard

	Budget	Actual	Variance
Quantity The average number of medium security sentenced inmates:	2,329	2,568	239 (10%)

Quality

The percentage of sentenced inmates with inmate management plans prepared and managed to the standards as described in the relevant service description, Public Prisons Service Policy and Procedures Manual, and Public Prisons Service Sentence Management Manual to be:

- on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action
- assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available
- the inmate is placed in to the appropriate work/programme
- the inmate attends the allocated work/programme
- all information is recorded and filed on the inmate's file

case management plans are reviewed as per the plan. The growth and formula the growth are the growth as the growth are the growth are the growth are the growth are the growth as the growth are	100%	78%	-22%
The number of breakouts per annum to be no more than: The number of non-returns from temporary release per annum to be no more than:	2	9	6 -2
The number of all other escapes per annum to be no more than:	12	5	-7

COMMENT

The average number of medium security inmates is initially influenced by rates of arrests and decisions of the judiciary and is outside the Department's control. Thereafter the security classification of individual inmates becomes a function of the offence type and the security risk posed by the inmate population. The medium security inmate population has varied over the past 12 months, although the annual average has been greater than forecast.

The percentage of sentenced inmates with sentence management plans is below the standard and reflects the current backlog of plans within the Public Prisons Service. This backlog is primarily attributable to:

- the timing differential between the decision to reduce the number of sentence planners in the Northern Region and the recruitment of additional sentence planners in the other regions
- significantly increased numbers of remand inmates and an associated higher level of inmate movements as a result of
 muster pressures, particularly in the upper North Island.

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

Performance Standard

	Budget	Actual	Variance
Quantity The average number of minimum security sentenced inmates:	2,000	2,043	43 (2%)

Quality

The percentage of sentenced inmates with inmate management plans prepared and managed to the standards as described in the relevant service description, Public Prisons Service Policy and Procedures Manual, and Public Prisons Service Sentence Management Manual to be:

- on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action
- assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available
- the inmate is placed in to the appropriate work/programme
- the inmate attends the allocated work/programme
- all information is recorded and filed on the inmate's file

100%	76%	-24%
1	0	-1
14	2	-12
12	2	-10
	1	1 0 14 2

COMMENT

The percentage of sentenced inmates with sentence management plans is below the standard and reflects the current backlog of plans within the Public Prisons Service. This backlog is primarily attributable to:

- the timing differential between the decision to reduce the number of sentence planners in the Northern Region and the recruitment of additional sentence planners in the other regions
- significantly increased numbers of remand inmates and an associated higher level of inmate movements as a result of muster pressures, particularly in the upper North Island.

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



OUTPUT 5.4: CUSTODIAL SERVICES - WOMEN

Performance Standard

	Budget	Actual	Variance
Quantity			
The average number of maximum security sentenced inmates:	1	0	-1
The average number of medium security sentenced inmates:	78	86	8 (10%)
The average number of minimum security sentenced inmates:	151	185	34 (23%)

Quality

The percentage of sentenced inmates with inmate management plans prepared and managed to the standards described in the relevant service description, Public Prisons Service Policy and Procedures Manual, and Public Prisons Service Sentence Management Manual to be:

- on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action
- assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available
- the inmate is placed in to the appropriate work/programme
- the inmate attends the allocated work/programme
- all information is recorded and filed on the inmate's file

all information is recorded and filed on the inmate's file			
case management plans are reviewed as per the plan.	100%	63%	-37%
The number of breakouts per annum to be no more than:	1	0	-1
The number of non-returns from temporary release per annum to be no more than:	1	0	-1
The number of all other escapes per annum to be no more than:	1	0	-1

COMMENT

The average number of inmates is initially influenced by rates of arrests and decisions of the judiciary and is outside the Public Prisons Service control. Thereafter the security classification of individual inmates becomes a function of the offence type and the security risk posed by the inmate population.

The percentage of sentenced inmates with sentence management plans is below the standard and reflects the current backlog of plans within the Public Prisons Service. This backlog is primarily attributable to:

- the timing differential between the decision to reduce the number of sentence planners in the Northern Region and the recruitment of additional sentence planners in the other regions
- significantly increased numbers of remand inmates and an associated higher level of inmate movements as a result of muster pressures, particularly in the upper North Island.

Performance Standard

	Budget	Actual	Variance
Quantity The average number of male sentenced and remand inmates held in Youth Units:	134	134	Nil

Quality

The percentage of youth inmates with inmate management plans prepared and managed to the standards as described in the relevant service description, Public Prisons Service Policy and Procedures Manual, and Public Prisons Service Sentence Management Manual to be:

- on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action
- assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available
- the inmate is placed in to the appropriate work/programme
- the inmate attends the allocated work/programme
- all information is recorded and filed on the inmate's file

• case management plans are reviewed as per the plan.	100%	64%	-36%
The number of breakouts per annum from youth units to be:	0	0	Nil
The number of all other escapes per annum from Youth Units to be no more than:	0	0	Nil

COMMENT

The percentage of sentenced inmates with sentence management plans is below the standard and reflects the current backlog of plans within the Public Prisons Service. This backlog is primarily attributable to:

- the timing differential between the decision to reduce the number of sentence planners in the Northern Region and the recruitment of additional sentence planners in the other regions
- significantly increased numbers of remand inmates and an associated higher level of inmate movements as a result of muster pressures, particularly in the upper North Island.



OUTPUT 5.6: DRUG REDUCTION

Performance Standard

	i chomianee Standard		
	Budget	Actual	Variance
Quantity			
The number of general random programme drug screening tests carried out to be no less than:	2,470–2,700	2,937	237 (9%)
The number of random drug screening tests carried out on inmates returning from temporary release to be no less than:	365–408	323	-42 (-12%)
The number of random drug screening tests carried out on identified drug users to be no less than:	1,584–1,750	1,647	Nil
The number of other drug screening tests carried out to be no less than 12:	3,991–4,442	5,459	1017 (23%)
Quality			
The annual average percentage of general random programme drug screening tests producing a positive result to be no more than:	16%	17%	1%
The annual average percentage of random drug screening tests of inmates returning from temporary release producing a positive result: ¹³	N/A	11%	N/A
The annual average percentage of random drug screening tests of identified drug users producing a positive result:13	N/A	36%	N/A

COMMENT

The algorithm used to determine the number of general random programme drug screening tests generated a greater than expected number during the year, resulting in a higher than expected number of tests being conducted. A shortage of trained drug testing officers in the Midland Region affected the result for random drug screening tests on inmates returning from temporary release. The higher than forecast number of other drug screening tests reflected an increased emphasis on drug detection activities at all prisons, including the impact of tests conducted for reasonable cause and on voluntary grounds.

The high percentage of positive results from random drug screening tests of identified drug users is expected given the inmate population subject to testing. It is anticipated that the increased emphasis on drug detection activities across all prisons, together with the impact of alcohol and drug programmes will result in a progressive decline in this statistic over time.

The total number of tests undertaken nationally over the financial year reflected the considerable emphasis placed on drug detection activities within the regions, and the training of additional staff as drug testers. In addition, increased emphasis was also placed on the prison entry search policy.

¹²Other drug screening tests are defined as those undertaken on either 'reasonable grounds' or on a voluntary basis.

¹³ This measure does not lend itself to the setting of performance standards to be achieved.

OUTPUT CLASS 6 INMATE EMPLOYMENT

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

Over time, Inmate Employment aims to provide all inmates eligible for work with 1,410 hours of employment per year. This year's target of 5.7 million hours represents a 90 percent achievement of that goal. In addition, it is expected that 40 percent of inmates who undertake employment will gain an externally recognised qualification.

OUTPUT CLASS STATEMENT: INMATE EMPLOYMENT

FOR THE YEAR ENDED 30 JUNE 2004

30/06/03 Actual \$000		30/06/04 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
11,025	Crown	11,230	10,941	11,230
24,027	Other	25,752	23,498	26,998
35,052	Revenue	36,982	34,439	38,228
37,457	Total Expenses	36,983	34,439	38,228
(2,405)	Net Surplus/(Deficit)	(1)	0	0



OUTPUT 6.1: INMATE EMPLOYMENT - LAND-BASED ACTIVITIES

Performance Standard

	Budget	Actual	Variance
Quantity			
The number of hours worked by inmates employed on land-based activities:	785,00014	783,938	-1,062 (Nil)
Quality			
The percentage of inmates undertaking inmate employment who receive an externally recognised qualification: ¹⁵	40%	96%	56%

COMMENT

The full-year target for inmate employment hours could not be achieved due to restructuring of Corrections Inmate Employment (CIE) and the availability of inmates and suitable work. The reforecast target reflected actual results as at December 2003.

The higher than forecast number of inmates receiving an external qualification was affected by a combination of inmate turnover and the high proportion of inmates undertaking short courses of first aid and/or safety instruction on induction into CIE workplaces. In addition, more unit standards were delivered in 2003/04 than in 2002/03.



OUTPUT 6.2: INMATE EMPLOYMENT - MANUFACTURING ACTIVITIES

Performance Standard

	Budget	Actual	Variance
Quantity			
The number of hours worked by inmates employed on manufacturing activities:	1,005,00016	876,777	128,223 (-13%)
Quality			
The percentage of inmates undertaking inmate employment who receive an externally recognised qualification: ¹⁵	40%	56%	16%

COMMENT

The full-year target for inmate employment hours could not be achieved due to restructuring of CIE and the availability of inmates and suitable work. The reforecast target reflected actual results as at December 2003. The year-end result for manufacturing activities, however, was further affected by a downturn in the timber sector and transfers of inmates between prisons.

The higher than forecast number of inmates receiving an external qualification was affected by a combination of inmate turnover and the high proportion of inmates undertaking short courses of first aid and/or safety instruction on induction into CIE workplaces. In addition, more unit standards were delivered in 2003/04 than in 2002/03.

 $^{^{\}rm 14}$ Ministerial approval was received to change this performance measure from 1,449,250.

¹⁵ An externally recognised qualification is an NZQA unit standard or, where no NZQA unit standard exists, a recognised equivalent qualification. The percentage of inmates who receive an externally recognised qualification is calculated as the number of unit standards passed against the number of full-time equivalent inmates employed during the year.

¹⁶ Ministerial approval was received to change this performance measure from 1,130,820.





Performance Standard

	Budget	Actual	Variance
Quantity			
The number of hours worked by inmates on internal service self-sufficiency activities:	2,684,637 ¹⁷	3,046,516	361,879 (13%)
Quality			
The percentage of inmates undertaking inmate employment who receive an externally recognised qualification: ¹⁸	40%	148%	108%

COMMENT

Restructuring of CIE and the availability of inmates and suitable work meant that the full-year target for inmate employment hours was reforecast to reflect actual results as at December 2003. For the full year, however, internal self-sufficiency activities were delivered at a level significantly above the reforecast target. While some of this over-delivery reflected an increased emphasis on unit cleaning and hygiene, the overall reduction in CIE opportunities meant more availability of inmates for these activities. Notwithstanding this, the Department is endeavouring to ensure that internal self-sufficiency activities do not adversely impact on the availability of inmates for CIE activities.

The higher than forecast number of inmates receiving an external qualification was affected by a combination of inmate turnover and the high proportion of inmates undertaking short courses of first aid and/or safety instruction on induction into CIE workplaces. In addition, more unit standards were delivered in 2003/04 than in 2002/03.

 $^{^{\}rm 17}$ Ministerial approval was received to change this performance measure from 3,000,000.

¹⁸ An externally recognised qualification is an NZQA unit standard or, where no NZQA unit standard exists, a recognised equivalent qualification. The percentage of inmates who receive an externally recognised qualification is calculated as the number of unit standards passed against the number of full-time equivalent inmates employed during the year.



OUTPUT 6.4: INMATE EMPLOYMENT - RELEASE TO WORK

Performance Standard

	Budget	Actual	Variance
Quantity			
The number of hours worked by inmates on release-to-work activities:	41,50019	46,493	4,993 (12%)
Quality			
The percentage of inmates undertaking release-to-work activities who meet the eligibility criteria:	100%	100%	Nil

COMMENT

The full-year target for inmate employment hours could not be achieved due to restructuring of CIE and the availability of inmates and suitable work. The reforecast target reflected actual results as at December 2003. In addition, release-to-work activities were affected by the increased use of home detention, which exacerbated the difficulties of identifying suitable inmates in locations where work opportunities were available.



OUTPUT 6.5: VOCATIONAL TRAINING SERVICES

Performance Standard

Budget	Actual	Variance
1,125	1,306	181
		(16%)
40%	80%	40%
	1,125	1,125 1,306

COMMENT

The higher than forecast number of inmates commencing training reflected the attraction to inmates of a number of short training courses. The short duration of many courses also had a positive effect on the number of inmates receiving a qualification.

 $^{^{19}}$ Ministerial approval was received to change this performance measure from 84,600.

²⁰ An externally recognised qualification is an NZQA unit standard or, where no NZQA unit standard exists, a recognised equivalent qualification. The percentage of inmates who receive an externally recognised qualification is calculated as the number of unit standards passed against the number of full-time equivalent inmates employed during the year.





Performance Standard

Budget	Actual	Variance
80,000	77,841	-2,159 (-3%)
160	64	-96 (-60%)
100%	65%	-35%
	80,000	80,000 77,841 160 64

COMMENT

The full-year result for community service hours was marginally below the target, although the associated expenditure was significantly below the budget. The volume result reflected the increased emphasis in the regions, where possible, to identify and take advantage of all available community service activities, in a effort to compensate for some restrictions on inmate employment activities in a number of areas.

The lower than forecast number of inmates involved in community services reflected the nature of activities available and the security classification (which affects the ability to work outside prison) of available inmates.

In general, the Public Prisons Service provides work certificates upon release. Some data capture issues in respect of this measure could not be addressed during the year. The underlying systemic issues will be addressed early in the 2004/05 financial year.

OUTPUT CLASS 7

REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

This output class provides:

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

OUTPUT CLASS STATEMENT: REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

FOR THE YEAR ENDED 30 JUNE 2004

30/06/03 Actual \$000		30/06/04 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
42,070	Crown	43,871	42,170	43,871*
734	Departmental	858	1,496	1,496
0	Other	0	0	0
42,804	Total Revenue	44,729	43,666	45,367*
42,925	Total Expenses	44,167	43,666	45,367*
(121)	Net Surplus	562	0	0

^{*} This figure also includes the following adjustment under section 5 of the Public Finance Act 1989:

Supplementary Estimates \$000	Section 5 Transfers \$000	Final Appropriation \$000
47,858	(2,491)	45,367

This transfer was made because of a higher proportion of remand inmates to total inmate numbers. As sentenced inmates were tracking close to budget the Department was unable to transfer the funds from the Custodial Services output class. Instead the Rehabilitation Programmes and Reintegrative Services output class was used as this was under budget due to course cancellations.





	i Cilotillance Standard		
	Budget	Actual	Variance
STRAIGHT THINKING PROGRAMMES Quantity			
The number of hours offenders spend attending a Straight Thinking programme			
Public Prisons Service:	69,300	44,916	-24,384 (-35%)
Community Probation Service:	82,880	27,976	-54,904 (-66%)
The number of offenders who start a Straight Thinking programme			
Public Prisons Service:	990	752	238 (-24%)
Community Probation Service:	1,184	560	-624 (-53%)
Quality			
The percentage of offenders who start and complete a Straight Thinking programme to be no less than:			
Public Prisons Service:	80%	84%	4%
Community Probation Service:	65%	67%	2%

COMMENT

Targets for programme volumes in the Public Prisons Service during 2003/04 may have been overstated in light of the nature of the inmate population (especially the rapid turnover of short-serving inmates), and the subsequent non-selection of eligible inmates following referral. This was particularly so for Straight Thinking where preliminary analysis from some regions indicated that the pre-programme assessment excluded up to 40 percent of referred inmates. The Public Prisons Service is developing a more robust predictive model for programme volumes which, when completed, will enable more accurate assessment of the demand model, and facilitate improved monitoring and reporting on programme delivery. Other factors impacting on programme delivery have been a lack of facilitators together with muster pressures and inmate transfers resulting in course cancellations and the movement of inmates part way through a course.

For the Community Probation Service, initiatives implemented in the third quarter to address programme delivery issues were expected to improve the numbers of hours delivered and offenders starting programmes during the fourth quarter. However, the fourth quarter only contributed 164 offenders to the year's total. This was particularly unexpected given the fourth quarter of 2002/03 delivered 238 offenders. The poor fourth quarter result has contributed to a 53 percent under delivery of offender numbers at the year's end.

The poor fourth quarter performance appears to have been primarily as a result of the impact of the restructuring of programme delivery and the availability of facilitators to deliver programmes. From 1 July 2004 a new service delivery unit within the Department will be responsible for the delivery of Straight Thinking and Criminogenic programmes. The expected increase in programme delivery to offenders from the restructuring, combined with other work undertaken in the 2003/04 year, should become increasingly apparent from the second quarter of 2004/05.



OUTPUT 7.1: REHABILITATIVE PROGRAMMES - RESPONSIVITY/MOTIVATIONAL (CONT'D)

Performance Standard

	Budget	Actual	Variance
TIKANGA MĀORI Quantity			
The number of offenders who start a Tikanga Māori programme			
Public Prisons Service:	943	841	-102 (-11%)
Community Probation Service:	523	239	-284 (-54%)
Quality			
The percentage of offenders who start and complete a Tikanga Māori programme to be no less than:			
Public Prisons Service:	75%	99%	24%
Community Probation Service:	65%	67%	2%

COMMENT

For the Public Prisons Service, the under-delivery primarily reflected the fact that Tikanga programmes are not always delivered with the optimal number of inmates in attendance. In addition, muster pressures resulted in transferred inmates being unable to participate in follow-ups. During the year there were difficulties in engaging with one of the national providers of this programme. Contracts have been executed by two of three national providers for the delivery of programmes for the new financial year, the execution of the third is subject to the resolution of a minor issue associated with intellectual property. The higher than forecast completion rate indicates the active management policy is working and case officers are actively supporting sentence plans.

For Tikanga Māori programmes delivered by the Community Probation Service, analysis showed that the model on which these programmes had been built (delivery of programmes to groups of 8–10 offenders) was not sustainable within the current legislative framework. The number of offenders starting Tikanga Māori programmes has decreased since the introduction of the Sentencing Act 2002 and Parole Act 2002. Under this legislation, offenders have been unable to attend programmes if sentenced to community work. Work to adjust the Tikanga Māori delivery model is under-way, but is taking some time. A review, which started in the third quarter of 2003/04, is being carried out in the Central Region and involves consultation with Māori/iwi providers. It is anticipated the review will have an effect in the Central Region early in the next financial year and later in the year in other regions.

	Budget	Actual	Variance
FAITH-BASED UNIT Quantity			
The average number of sentenced inmates in a faith-based unit:	60	59	-1 (-2%)
Quality The minimum average occupancy rate:	95%	99%	4%

	Budget	Actual	Variance
CRIMINOGENIC PROGRAMMES Quantity			
The number of hours offenders spend attending a criminogenic programme			
Public Prisons Service:	119,800	105,298	14,502 (-12%)
Community Probation Service:	71,925	43,908	-28,017 (-39%)
The number of offenders who start a criminogenic programme			
Public Prisons Service:	700	1,002	302 (43%)
Community Probation Service:	783	632	-151 (-19%)
Quality			
The percentage of offenders who start and complete a criminogenic programme			
Public Prisons Service:	75%	74%	-1%
Community Probation Service:	65%	76%	11%

COMMENT

The year-end result for criminogenic programmes in the Public Prisons Service primarily reflected lower programme delivery in the specialist drug treatment units at Arohata Prison (not operating to capacity prior to April) and Rolleston Prison (programme delivery resourcing issues). In an effort to deliver the targeted hours it was necessary for a number of the regions to substitute the 100-hour Mixed Programme for the 100-hour alcohol, drug and violence programme, although the full-year result for the 100-hour programmes was 13 percent below the target. This result was partially offset by increased hours in the delivery of Māori Therapeutic Programmes (11%).

Despite being on track at mid-year, and third quarter performance being only slightly poorer than expected, the Community Probation Service has under delivered against criminogenic programme targets by 19 percent. Because of initiatives implemented in the third quarter to address programme delivery issues, fourth quarter results were expected to be high. However, the fourth quarter contributed only 182 offenders to the year's total. This was particularly unexpected given the fourth quarter of 2002/03 delivered 200 offenders.

The poor fourth quarter performance appears to have been primarily because of the impact of the restructuring of programme delivery and the availability of facilitators to deliver programmes. From 1 July 2004 a new service delivery unit within the Department will be responsible for the delivery of Straight Thinking and Criminogenic programmes. The expected increase in programme delivery to offenders from the restructuring, combined with other work undertaken in the 2003/04 year, should become increasingly apparent from the second quarter of 2004/05. Continued efforts to improve programme delivery were reflected by the higher than forecast completion rate for these programmes.



OUTPUT 7.2: REHABILITATIVE PROGRAMMES – CRIMINOGENIC (CONT'D)

Performance Standard

	Budget	Actual	Variance
SEX OFFENDER TREATMENT PROGRAMMES Quantity			
The number of hours inmates spend attending a programme at			
Kia Marama:	12,500	14,243	1,743 (14%)
• Te Piriti:	12,500	14,325	1,825 (15%)
The number of inmates who start a programme at			
Kia Marama:	40	46	6 (15%)
• Te Piriti:	40	44	4 (10%)
The number of inmates who start and complete a programme at			
Kia Marama to be no less than:	38	37	-1 (-3%)
Te Piriti to be no less than:	38	43	5 (13%)

Quality

The percentage of programmes completed at Kia Marama and Te Piriti where all the components described in the service description were completed:

- · norm building
- construction of offence chain incorporating challenging cognitive distortion
- · sexual arousal reconditioning
- · victim impact and empathy
- social skills, relationship and sex education
- mood, anger and stress management and problem solving
- relapse prevention
- release planning. 100% 100% Nil

COMMENT

The introduction at Kia Marama of a special graduate group led to additional hours being delivered. The group aims to maintain new skills and pro-social attitudes in inmates during the time between completing the Kia Marama programme and release from prison.

The delivery of additional hours at Te Piriti was as a result of running a pilot group for inmates with intellectual disabilities. These inmates could not have been accommodated in a normal group and would not have been suitable for inclusion in the programme other than running a special group for them.

In addition, two extra inmates were added to the last three groups at Kia Marama for the year in the transition to incorporating the cultural component from the Te Piriti programme.



	Budget	Actual	Variance
VIOLENCE PREVENTION PROGRAMMES Quantity			
The number of hours inmates spend attending a violence prevention programme at Rimutaka Prison:	7,700	8,112	412 (5%)
The number of inmates who start a violence prevention programme at Rimutaka Prison:	30	29	-1 (-3%)
Quality			
The number of violence prevention programmes completed at Rimutaka Prison per year:	3	3	Nil
The percentage of offenders who start and complete a violence prevention programme at Rimutaka Prison:	70%	80%	10%

COMMENT

There were better retention levels than expected for this programme, reflecting the impact of the incentives provided by the Sentencing Act 2002 and Parole Act 2002.

Performance Standard

	Budget	Actual	Variance
EQUIP Quantity			
The number of EQUIP programme hours provided to youth:	3,840	2,864	-976 (-25%)
The number of youth who start an EQUIP programme:	134	165	31 (23%)
Quality			
The percentage of sentenced youth in youth units who participate in an EQUIP programme:	98%	73%	-25%

COMMENT

Delivery of the EQUIP programme was affected by facilitator vacancies and the need to rewrite the programme. There was a higher than anticipated turnover of youth through the youth units.

The participation rate was also affected by facilitator vacancies and the need to control scheduling of programmes at a rate that does not degrade the integrity of the therapy process.



OUTPUT 7.2: REHABILITATIVE PROGRAMMES – CRIMINOGENIC (CONT'D)

Performance Standard

Budget	Actual	Variance
21,600	23,973	2,373 (11%)
300	323	23 (8%)
75%	70%	-5%
	21,600 300	21,600 23,973 300 323

COMMENT

The target number of hours for 2003/04 was set incorrectly and did not correlate to the number of inmates attending Māori therapeutic programmes. The over delivery reflected increased inmate demand for the programmes.



OUTPUT 7.3: REHABILITATIVE PROGRAMMES – OTHER REHABILITATIVE PROGRAMMES AND ACTIVITIES

Performance Standard

	•	oriorinanoo Otana	
	Budget	Actual	Variance
Quantity			
The number of hours offenders spend attending other rehabilitative programmes funded by Probation and Offender Services:	80,000-110,000	117,710	7,710 (7%)
Quality			
The percentage of offenders who start and complete a rehabilitative programme funded by Probation and Offender Services to be no less than:	65%	59%	-6%

COMMENT

The Department has endeavoured to place as many eligible offenders as possible on these programmes.

OUTPUT 7.4: EDUCATION AND TRAINING



Performance Standard

	Budget	Actual	Variance
Quantity			
The number of hours inmates spend attending a module under the NCES:	236,560	115,644	-120,916 (-51%)
Quality			
The percentage of inmates who start and complete a module under the NCES to be no less than:	80%	73%	-7%

COMMENT

The under forecast results can be attributed to several factors:

- lower class sizes (attributable to lower levels of referrals and lower inmate demand) impacted significantly on programme delivery throughout the financial year, although some increase in class sizes were reported towards the end of the year, following a renewed focus on addressing referral issues;
- high numbers of inmates, the transfer of inmates and the turnover of short-serving inmates exacerbated these issues, and affected the completion rate;
- the absence of any delivery in Auckland and Christchurch in November and December because of the collapse of the provider, Carich Training Limited. The Department appointed an interim provider, Literacy Training Limited, to assume delivery of the programme through to 31 December 2004, while an open tender process was undertaken for the remaining 18 months of the contract;
- performance issues with the provider in the Midland Region, which adversely impacted upon programme delivery over the first nine months of the financial year. The Public Prisons Service met with the provider and the issues have been satisfactorily addressed.



OUTPUT 7.5: REINTEGRATIVE SERVICES

Performance Standard

	Budget	Actual	Variance
WHANAU LIAISON SERVICE Quantity			
The number of offenders and their families/whanau receiving the whanau liaison service will be no less than:	257	281	24 (9%)
Quality			
The percentage of offenders and their families/whanau receiving the whanau liaison service for which an action plan is developed to be no less than:	100%	98%	-2%

COMMENT

As the role of the whanau liaison workers have developed, the rate of referrals to this service has increased.

Performance Standard

	Budget	Actual	Variance
REINTEGRATIVE SERVICES – As provided by the Public Prisons Service Quantity			
The number of hours delivered by the Public Prisons			
Service for reintegrative services for inmates:	38,200	20,669	-17,531 (-46%)
Quality			
The percentage of reintegrative services provided by the Public Prisons Service in accordance with an inmate's			
plan to be no less than:	90%	100%	10%

COMMENT

Delivery of Reintegrative Services was significantly below planned levels, with lower delivery recorded across each of the individual programmes. Issues of lower levels of referrals and lower inmate demand (particularly in respect of the Living Skills programme) resulted in the postponement of scheduled programmes or the delivery of programmes with less than the optimal numbers of inmates in attendance, thus impacting significantly on programme delivery hours.

The quality measure for this output demonstrates a high degree of compliance against plans. An inmate is only referred to a reintegrative service in accordance with that inmate's plan.



	Budget	Actual	Variance
REINTEGRATIVE SERVICES – As provided by the New Zealand Prisoners' Aid and Rehabilitation Society (NZPARS) Quantity			
The number of support service hours to be provided will be no more than:	34,710 ²¹	34,710	Nil
Quality			
The percentage of referrals (urgent or otherwise) to NZPARS per month acknowledged within five working days of receipt:	95%	95%	Nil

COMMENT

The reduction in the number of support service hours reflected the renegotiation of the contract with NZPARS.

Performance Standard

	Budget	Actual	Variance
REINTEGRATIVE SUPPORT SERVICES Quantity			
The number of offenders and their families/whanau			
receiving the service will be no more than:	120	106	-14 (-12%)
Quality			
The percentage of offenders and their families/whanau receiving the service for which an action plan is			
developed to be no less than:	100%	100%	Nil

COMMENT

Offender numbers had been on track throughout the year, but were affected in the fourth quarter by several offenders being transferred to a different prison prior to their commencement on the programme (thus precluding their involvement). Also, NZPARS was one staff member short for the second half of the year.

 $^{^{\}rm 21}\,Ministerial$ approval was received to change this performance measure from 40,098.



OUTPUT 7.6: COMMUNITY RESIDENTIAL CENTRES AND REDUCING YOUTH OFFENDING PROGRAMMES

Performance Standard

Budget	Actual	Variance
72–92	64	-8 (-11%)
740	745	5 (1%)
60%	76%	16%
100%	92%	-8%
100%	100%	Nil
100%	100%	Nil
100%	100%	Nil
	72–92 740 60% 100% 100%	72–92 64 740 745 60% 76% 100% 92% 100% 100%

COMMENT

One of the community residential centres, Te Ihi Tu, experienced issues with low referral rates throughout the year. A number of offenders were accepted but unable to commence the programme because they did not meet the criteria for temporary release from prison. Work continued during the year to address this problem.

Efforts to retain participants for the full duration of the programmes have paid off for all centres, with a consistently high rate of completion throughout the year. Two of the offenders referred to a programme at Montgomery House had some information elements assessed after they entered the programme.

²²Montgomery House, Te Ihi Tu and Salisbury Street.





	Budget	Actual	Variance
REDUCING YOUTH OFFENDING PROGRAMMES Quantity			
The number of youth who are directed to attend a Reducing Youth Offending programme:	100–130	81	-19 (-19%)
Quality			
The percentage of youth who successfully undertake a Reducing Youth Offending programme order to be no less than:	70%	78%	8%

COMMENT

These programmes commenced at the begining of the year. Initially, the number of youth referred was lower than planned. The number of youth commencing the programme continued to increase during the course of the year, particularly in Auckland. By the end of the year the programme was operating at full capacity in Auckland and slightly below capacity in Christchurch. Experience indicates that slow growth is to be anticipated when embedding a new initiative. The programme's Governance Board has reserved until the end of the first quarter of 2004/05 a decision to widen the entry criteria for CYF youth referred to the programme, to see if this is necessary in order to achieve target numbers given the improved results from the last part of 2003/04.

Of those that completed the programme a higher percentage than anticipated have completed successfully.



OUTPUT 7.7: PROVISION OF PSYCHOLOGICAL SERVICES

Performance Standard

	Performance Standard		
	Budget	Actual	Variance
PSYCHOLOGICAL SERVICES Quantity			
The number of psychological consultation hours provided to the			
Public Prisons Service:	9,834	9,625	-209
Community Probation Service:	12,000	10,285	(-2%) -1,715 (-14%)
The number of psychological reports provided to the			, ,
Public Prisons Service:	840–900	1,117	217 (24%)
Community Probation Service:	1,020–1,060	1,084	24 (2%)
Quality			
The percentage of psychological consultations which meet the standards described to be no less than:	95%	100%	5%
a structured offender assessment interview is conducted			
confidentiality and consent issues are explained			
relevant history is obtained			
assessment measures are used (as appropriate)			
problems are presented clearly formulated			
• treatment goals are specified (addressing assessed problems)			
 appropriate interventions are used (based on current literature) 			
adequate case notes are recorded for all sessions			
 records are kept of ongoing measures or observations to monitor intervention 			
assessment and treatment reports are completed and delivered.			
The percentage of psychological reports which meet the standards described to be no less than:	95%	100%	5%
concise, logical and grammatically correct			
source and reason for referral are clearly stated			
all relevant and appropriate information is included			
sources of information are well documented and verified			
clear statements of recommendations for further intervention			

COMMENT

The heavy demand for psychological reports to courts and the New Zealand Parole Board (see Output 1.5) has reduced the ability of the Psychological Service to deliver consultation hours for the Community Probation Service.

The over delivery in reports for the Public Prisons Service was caused by the large number of youths moving through the EQUIP programme and the requirement for a report to be written on them when they exit the programme.

• complies with the Psychologists' Code of Ethics.

OUTPUT 7.7: PROVISION OF PSYCHOLOGICAL SERVICES (CONT'D)



Performance Standard

	Budget	Actual	Variance
BICULTURAL THERAPY MODEL Quantity			
The number of consultation hours provided by Māori service providers under the Bicultural Therapy Model:	4,000	4,104	104 (3%)
Quality			
The percentage of Māori service providers who comply with the standards when delivering consultation hours under the Bicultural Therapy Model to be:	100%	98%	-2%
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. 			

OUTPUT 7.8: CHAPLAINCY SERVICES



Performance Standard

	Budget	Actual	Variance
Quantity The number of full-time equivalent chaplains in prisons:	26	31	5 (19%)
Quality The percentage of chaplaincy service reports provided to Public Prisons Service within the agreed timeframes:	100%	100%	Nil

COMMENT

The Catholic Church made an additional five chaplains available to the Prison Chaplaincy Service of Aotearoa New Zealand on a gratis basis.

OUTPUT CLASS 8

SERVICES TO THE NEW ZEALAND PAROLE BOARD

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

OUTPUT CLASS STATEMENT: SERVICES TO THE NEW ZEALAND PAROLE BOARD

FOR THE YEAR ENDED 30 JUNE 2004

30/06/03 Actual \$000		30/06/04 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
4,293	Crown	5,476	4,283	5,476
0	Other	0	0	0
4,293	Revenue	5,476	4,283	5,476
4,215	Total Expenses	5,319	4,283	5,476
78	Net Surplus	157	0	0

OUTPUT 8.1: SERVICES TO THE NEW ZEALAND PAROLE BOARD

P

Performance Standard

	Budget	Actual	Variance
Quantity			
The number of cases considered by the New Zealand Parole Board to be:	8,000 ²³	9,027	1,027 (13%)
Quality			
The percentage of offenders or victims notified of an impending hearing at least 10 working days before a			
hearing:	90%	100%	10%
The percentage of offenders or victims notified of a Board decision within 10 working days after a hearing:	90%	100%	10%
The percentage of papers for home detention (deferred sentences) hearings provided to the Board at least five working days before a hearing:	90%	85%	-5%
The percentage of all other papers for each hearing provided to the Board at least 10 working days before a hearing:	90%	85%	-5%
The scheduling of cases to be heard by the Board to			
be within the timeframe specified in the Parole Act 2002:	100%	100%	Nil

COMMENT

There was a 32 percent increase in the volume of home detention hearings from 2002/03. Home detention applications are demand driven, difficult to predict and a major factor in the greater than anticipated hearing volumes. Parole hearings for the year were slightly down, 1,842 during 2002/03 against 1,734 in 2003/04. The increase in the quantity measure reflected anticipated volumes to be funded for 2004/05.

There was a strong focus on ensuring all victims and offenders were notified of Board hearings within the set timeframes.

 $^{^{\}rm 23}\,\rm Ministerial$ approval was received to change this performance measure from 6,500.

OUTPUT CLASS 9

POLICY ADVICE AND DEVELOPMENT

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

OUTPUT CLASS STATEMENT: POLICY ADVICE AND DEVELOPMENT

FOR THE YEAR ENDED 30 JUNE 2004

30/06/03 Actual \$000		30/06/04 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
4,154	Crown	4,070	4,138	4,070
0	Other	0	0	0
4,154	Revenue	4,070	4,138	4,070
4,126	Total Expenses	3,981	4,138	4,070
28	Net Surplus	89	0	0

OUTPUT 9.1: POLICY ADVICE AND DEVELOPMENT SERVICES



Performance Standard

		nonnance Stanu	ıu	
	Budget	Actual	Variance	
Quantity				
Advice will be provided according to a work programme agreed with the Minister of Corrections:	100%	79%	-21%	
Quality				
The Minister of Corrections will expect advice to be delivered according to the quality as outlined below:	100%	100%	Nil	
 the aims of the paper have been clearly stated and they answer the questions that have been set 				
 the assumptions behind the advice are explicit, and the argument is logical and supported by the facts 				
 the facts in the paper are accurate and all material facts have been included 				
 an adequate range of options has been presented and each has been assessed for benefits, costs and consequences to the Government and the community 				
 there is evidence of adequate consultation with interested parties and possible objections to proposals have been identified 				
 the problems of implementation, technical feasibility, timing and consistency with other policies have been considered 				
 the format meets Cabinet Office requirements, the material is effectively and concisely summarised, has short sentences in plain English and is free of spelling or grammatical errors. 				
Timeliness				
Policy advice purchased will be delivered within the specific reporting deadlines agreed with the Minister of Corrections:	100%	79%	-21%	

COMMENT

Completion of scheduled projects was affected by three main factors. These were: the length of time taken for the passage of the Corrections Bill, including the number of reports for the Law and Order Committee, and issues raised during consultation with other parties; an emphasis placed on new government initiatives regarding reintegration and re-settlement of offenders; and turnover of key staff during the year.



OUTPUT 9.2: MINISTERIAL SERVICING

Performance Standard

Budget 600	Actual 479	-121 (-20%)
600	479	
600	479	
600	479	
		(-2070)
500	806	306
		(61%)
10%	20%	10%
100%	100%	Nil
90%	74%	-16%
100%	90%	-10%
	10% 100%	10% 20% 100% 100%

COMMENT

Although the volume of Ministerial correspondence is under forecast this statistic belies the complexity and research needed to provide responses to the standard required. The volume of Parliamentary Questions exceeded forecast levels and was generated by intense political and media interest in new prisons, consultation, community work, home detention, and inappropriate relationships between Corrections Officers and inmates, recidivism and parole breaches.

The political nature, intense media interest and complexity of answers demanded, has seen response timeframes exceeded in researching and preparing responses to Parliamentary Questions, Ministerial correspondence, Official Information Act 1982 requests and Ombudsmen enquiries.



internationally recognised journals.



	Budget	Actual	Variance
Quantity			
The percentage of research and evaluation delivered to agreed project milestones:	100%	100%	Nil
The percentage of psychological and other research that will be provided to the following criteria contained in the Psychological Service Manual:	100%	100%	Nil
 the hypothesis/aim of the research is clearly stated; capable of being tested; uses minimal variables; is researched appropriately 			
 data collection is to meet appropriate standards of research design, and appropriate analysis tools are to be used 			
the results are accurately and clearly described			
 there is concise and thorough explanation of the implications of the results for the issues investigated 			
 the research should be peer reviewed both internally and externally 			
 the report is written in a format appropriate to the audience 			
 the aims of the paper are accurate and all material facts have been included 			
 the material is free of spelling or grammatical errors and an executive summary is provided if the report exceeds five pages 			
when possible the material is published within			

OUTPUT CLASS 10

SERVICE PURCHASE AND MONITORING

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

OUTPUT CLASS STATEMENT: SERVICE PURCHASE AND MONITORING

FOR THE YEAR ENDED 30 JUNE 2004

30/06/03 Actual \$000		30/06/04 Actual \$000	Main Estimates \$000	Supp. Estimates \$000
	REVENUE			
3,635	Crown	3,778	3,520	3,778
0	Other	0	0	0
3,635	Revenue	3,778	3,520	3,778
3,474	Total Expenses	3,696	3,520	3,810
161	Net Surplus/(Deficit)	82	0	(32)

	Budget	Actual	Variance
INTERAGENCY AGREEMENTS Quantity			
The number of interagency agreements managed by			
Corporate Management:	12	11	-1
Quality			
The percentage of interagency agreements managed in			
accordance with the review and reporting provisions to be:	100%	100%	Nil
Timeliness			
The percentage of interagency agreements that are renegotiated and/or reviewed by the date specified to be:	100%	100%	Nil

Performance Standard

	Budget	Actual	Variance
INTERNAL PURCHASE AGREEMENTS AND EXTERNAL CONTRACTORS Quantity			
The number of Internal Purchase Agreements with internal providers:	4	4	Nil
The number of contracts for services with external providers negotiated and managed by Corporate Management:	3	3	Nil
Quality			
The percentage of Internal Purchase Agreements and contracts for services with external providers that meet the following standards to be:	100%	100%	Nil
services are clearly described			
 performance measures and standards are specified price and payment regime (including incentives as appropriate) format and dates of reporting requirements are specified. 			
The percentage of Internal Purchase Agreements and contracts for services with external providers that are regularly reviewed and reported on in terms of the following criteria to be:	100%	100%	Nil
the procedures are being followed			
service delivery and performance measures are as specified			
the quality of service delivery and performance is as specified			
• the manner, timing and form of reporting is as laid down.			

COMMENT

The existing contract with NZPARS was renegotiated and resigned. The Prisoner Escort and Courtroom Custodial Services (PECCS) contract with Chubb New Zealand Limited was re-tendered and Chubb was the successful tenderer.



OUTPUT 10.1: PURCHASE AND MONITORING OF SERVICE DELIVERY (CONT'D)

	Budget	Actual	Variance
COMMUNITY FUNDING CONTRACTS Quantity			
The number of community funding contracts to be negotiated with external providers:	100–120	99	-1
Quality			
The percentage of community funding contracts with a value of \$20,000 (or over) that have performance measures and standards to the criteria to be:	100%	100%	Nil
 the correct parties to the contract are specifically identified and the parties have legal power to contract and are a legal entity 			
the term of the contract has been identified			
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	95%	95%	Nil
the agreed date to be no less than:	95%	95%	INII





	Budget	Actual	Variance
CONTRACTS WITH COMMUNITY RESIDENTIAL CENTRES Quantity			
The number of contracts between the Probation and			
Offender Services and community residential centres:	3	3	Nil
Quality			
The percentage of contracts for services with community			
residential centres that meet the following standards:	100%	100%	Nil
services are clearly described			
performance measures and standards are specified			
 price and payment regime (including incentives as appropriate) 			
format and dates of reporting requirements are specified.			
The percentage of contracts for services with community residential centres that are regularly reviewed and reported on in terms of the following criteria to be:	100%	100%	Nil
the procedures are being followed			
 service delivery and performance measures are as specified 			
 the quality of service delivery and performance are as specified 			
 the manner, timing and form of reporting is as laid down. 			



OUTPUT 10.2: PROVISION OF INSPECTORATE SERVICES

	Budget	Actual	Variance
Quantity			
The number of inspections in the inspectorate work programme as approved by the Assurance Board			
Routine visits:	80–120	94	Nil
Special investigations:	10–30	17	Nil
Quality			
The percentage of inspections that are carried out to the following criteria to be:	100%	100%	Nil
to a quality which satisfies the Assurance Board			
according to the guidelines and standards of the New Zealand Institute of Internal Auditors.			
Timeliness			
All reports on routine inspection visits will be finished within one month of visit. All special reports will be finished within the time period agreed in the terms of reference for the investigation:	100%	96%	-4%



Dudwat		
Budget	Actual	Variance
8,000–10,000	7,731	-269
		(-3%)
100%	100%	Nil
100%	100%	Nil
100%	100%	Nil
100%	100%	Nil
	100% 100%	8,000–10,000 7,731 100% 100% 100% 100%



PART 3 CAPABILITY AND SUPPORTING INFORMATION



PART 3 – CAPABILITY AND SUPPORTING INFORMATION

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TRIPLE BOTTOM LINE REPORTING

INTRODUCTION

During the course of the 2003/04 financial year, the Department of Corrections continued to make progress towards the development and implementation of a customised Triple Bottom Line (TBL) reporting framework.

Work to date has identified several potential social, environmental and economic indicators against which the Department's TBL performance could be measured on an ongoing basis. The Department has the ability to measure, to varying degrees, a number of these potential indicators, some of which are discussed below in order to provide a more detailed picture of the Department's social, environmental and economic impact. Work will continue into the development of the TBL framework throughout the 2004/05 financial year.

SOCIAL PERFORMANCE

The TBL framework will enable the Department to identify and report on the social impact of its operations and any consequential social issues. The measurement of the Department's social performance will be the key part of its TBL framework in light of the Department's core social purpose – that of contributing to the justice sector outcome of safer communities through its contribution to the two secondary outcomes of protecting the public and reducing re-offending.

Several potential social indicators have been included below. They include employment-related statistics and information, internal and external cultural initiatives, health and safety and community-related information.

Full-time Equivalent Employees

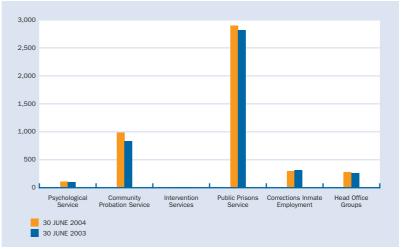
The number of full-time equivalent (FTE) employees in the Department increased during the 2003/04 financial year by 249, from 4,362 to 4,611 as illustrated in Figure 3 below.

The Department's ability to manage its human resource capability and capacity is critical to the achievement of the strategies within the first three themes of the Department's five-year *Strategic Business Plan* (SBP) to 30 June 2008. This issue is particularly relevant given the upcoming commissioning of new prisons and the need for the

Department to develop manager and staff capacity in readiness for the opening of the prisons.

The initiatives to address capability and capacity are contained in the fourth theme of the SBP and, in more detail, in the Department's Human Resources Management Operational Strategy. Several of these initiatives, including Equal Employment Opportunities (EEO), enhancing the Department's responsiveness to cultural diversity, health and safety and recruitment and retention, are discussed below under relevant subheadings. The Department has continued to make good progress towards achieving these initiatives during the 2003/04 financial year and will continue to address the outstanding initiatives during the remaining four years of the SBP.

FIGURE 3: FTE EMPLOYEES BY SERVICE OR GROUP



NB: Intervention Services, established during the year, had 15 FTE employees by 30 June 2004.

Total Employees by Gender and Ethnicity

The Department is committed to equal opportunity in all its employment policies and procedures. Equal employment opportunity includes all areas of the Department's human resource policies, particularly recruitment, selection and appointment practices, training, career and performance management, conditions of employment and the work environment.

Work will continue in the 2004/05 financial year in accordance with the Department's Disability Implementation Work Plan.
Under this plan, the Department will progressively review all employment and staff support processes to ensure that they are responsive to the needs of people who have disabilities and are in keeping with the Department's health and safety in employment strategy.

Figure 4 illustrates no significant change in the gender split of the Department's FTE employees as at 30 June 2004 when compared with the previous financial year. During the next six-year period ending 30 June 2010, the Department will be working to increase the percentage of women across the organisation to 38 percent of all employees. Emphasis will be placed on recruitment to management and other key roles, particularly those dealing with female offenders.

Figure 5 illustrates that the ethnic split of the Department's FTE employees as at 30 June 2004 has remained more or less unchanged

across all of the ethnic groups when compared with the previous financial year.

Improving its responsiveness to Māori and Pacific offenders and their families is one of the key themes within the Department's five year SBP, *Māori Strategic Plan* and *Pacific Strategy*. Being responsive means having the capability to develop and deliver services that are effective and appropriate for Māori and Pacific peoples. In response to this requirement, the Department has set itself the following targets that are to be achieved by 30 June 2010:

- an increase in the percentage of Māori across the organisation to 25.5 percent of frontline staff and 13 percent of managers. This represents 24.8 percent of all employees (currently 21.5 percent as illustrated in Figure 5)
- an increase in the percentage of Pacific peoples across the organisation to 8 percent of all employees (currently 5.4 percent as illustrated in Figure 5).

FIGURE 4: GENDER

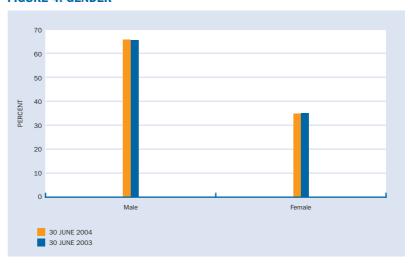
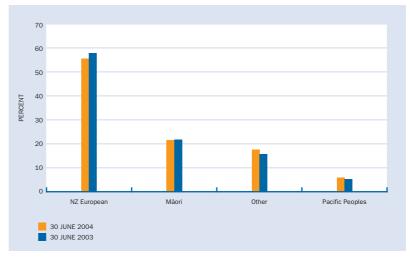


FIGURE 5: ETHNICITY



Progress made during the 2003/04 financial year included a review into the recruitment, retention and progression strategies, and the enhancement of existing training opportunities to identify potential Māori managers within the Department's frontline staff. The Department has also commenced the development of recruitment and retention strategies to increase the number and range of Pacific staff and managers.

The Department will continue to work towards the achievement of both the gender and ethnicity related targets in the 2004/05 financial year.

Cultural Initiatives

The improvement of the Department's responsiveness to Māori and Pacific staff and offenders requires an understanding of the relevant cultural issues particularly at management level and in the roles that require direct contact with Māori and Pacific offenders and their families.

The Department encourages its staff to participate in courses and seminars relating to cultural development including several internal initiatives such as Te Reo and Tikanga Māori courses for staff. An example of the progress made is the development of the cultural awareness course, Kia Mau, to be delivered to all staff within the Community Probation Service.

In addition, staff are able to attend programmes through whare wananga, polytechnics and universities to develop their cultural understanding and its application to the Department's services. Staff also engage with local iwi, hapū and runanga for advice, direction and cultural supervision.

The Chief Executive's Māori Advisory Group and the Pacific Advisory Group provide significant input into the Department's ongoing and potential management of, and interaction with, Māori and Pacific offenders and their families. The Department also works with, and obtains advice on Pacific issues from, the Ministry of Pacific Island Affairs and other Pacific organisations and support groups.

Length of Service and Turnover

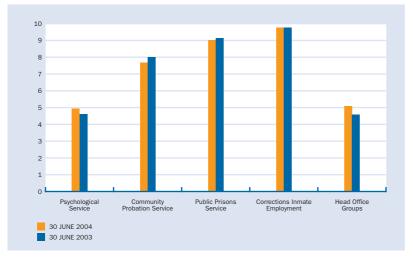
Figure 6 illustrates little significant movement in the average length of service across the groups and services in the 2003/04 financial year when compared with the previous financial year.

However, Figure 7 demonstrates an encouraging reduction in the turnover percentage within the Psychological Service and the Community Probation Service, while the increased turnover in Corrections Inmate Employment reflects the tail end of restructuring within that group.

As previously stated, the Department recognises the benefits arising from the development and maintenance of its human resource capability and capacity. Initiatives related to retention including the identification of future leaders, training and management development have been progressed during the 2003/04 financial year. Examples of the progress made include the:

continuation of the Future Leaders
 Programme that identifies staff
 with managerial potential and
 provides relevant training over a
 two-year period to assist with the
 transition into management roles
 in the Department;

FIGURE 6: AVERAGE LENGTH OF SERVICE (YEARS)



- provision of relevant training to assist with staff development, the appointment and training of new Probation Officers and the continuation of the Chief Executive Scholarships to selected employees completing their final year of tertiary studies relevant to the Department's operations;
- development of a comprehensive management development framework and the progression of several initiatives in order to implement the framework into the Department in future years.

Health and Safety

The Department continues to make improvements to its health and safety programmes. Over the last year these interventions have continued to show improvements in providing a safer work environment for employees, contractors, volunteers and offenders with a corresponding reduction in the cost of work-place injuries and work-related incidents.

The Accident Compensation Corporation (ACC) Accredited Employer Scheme remains central to workplace safety and this is supported by independent audits both internally and by external auditors. Staff involvement in, and commitment to, the Department's health and safety programme continues to be a critical success factor. During the 2003/04 financial year, the Department's health and safety management systems have been consolidated and passed the Partnership Audit conducted by the ACC.

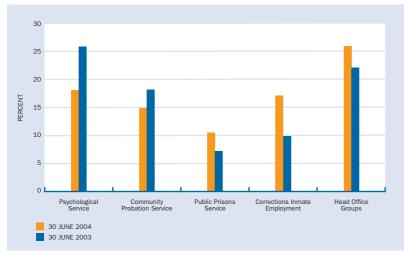
Impact on the Community

The Department's operations, by their very nature, impact on communities within New Zealand; whether they are communities nearby correction facilities, the families of offenders, ethnic groups or the New Zealand public as a whole through the media.

The Department continues to work towards identifying, and then managing, its impact on communities through the successful use of liaison groups established by the Department with communities and ethnic groups and improved interaction with families and the media. Community-related activities undertaken by offenders through the Community Probation Service are another way that the Department impacts positively on communities. Some examples of communityrelated successes in the 2003/04 financial year include:

- the implementation of key projects within the Whanau Involvement Plan. This included consolidation of the existing Whanau Liaison Worker role. Implementation of the Whanau Involvement Plan will continue in 2004/05;
- the implementation of the Kaiwhakamana as Specified Visitors to Prisons policy into the Public Prisons Service. This enables kaiwhakamana (who are kaumatua, kuia, tohunga and others that have been recommended by their whanau, hapū, iwi, community or organisation) increased access to prisons, and to Māori inmates. Inmates, whanau, hapū, iwi and the Department benefit from this policy in many ways, including the provision of spiritual support and guidance to inmates, advice regarding whanau relationship issues, support and advice with respect to reintegration, and the provision of suggestions and feedback to the Department regarding services to Māori inmates;

FIGURE 7: STAFF TURNOVER (PERCENT)



- the appointment of community liaison officers to interact with the Pacific community and families of Pacific offenders and the appointment of the Department's first Fautua Pasefika representatives in Auckland.

 The Fautua Pasefika Policy gives Pacific leaders greater and easier access to prisons and Pacific inmates;
- agreement of the three-way initiative between the Nelson Community Probation Service, Ngāti Koata iwi and the Department of Conservation (DOC). An offender with links to that iwi was able to work on Stephen's Island in the Marlborough Sounds helping DOC staff plant 10,000 native seedlings on the scenic reserve. The initiative is helping reconnect offenders with iwi that are wanting to assist with the rehabilitation of their people;
- the success of the Tokoroa CPS criminogenic programme team in developing strong relationships with the local community, local iwi, Raukawa, community groups and businesses and using those relationships to assist with rehabilitation. Initiatives included a whanau day, encouragement for family to participate in some of the sessions with offenders, the provision of work experience through local businesses and offenders providing talks in secondary schools of their experiences and the dangers of drug and alcohol use;

- assistance provided by Community Probation Service Community Work parties to Paekakariki residents to help clean up the town after it was hit by a flash flood and was declared a civil disaster zone. Similar assistance was also provided to North Island communities devastated by floods in April 2004;
- the removal of graffiti in Whakatane by members of a Community Probation Service Community Work party resulting in positive community feedback and appreciation;
- open days for the public at Wanganui Prison, Dunedin Prison, Tongariro/Rangipo Prison, the Kia Marama unit at Rolleston Prison, Ohura Prison, a barbeque for neighbours of Hawke's Bay Prison and a daylong media conference on justice sector issues including corrections;
- the preparation of meals by instructors and inmates at the Department's Staff College at Rimutaka Prison for the Rimutaka Lions Club annual "Room at the Inn" community Christmas lunch in Upper Hutt.

Work will continue to assess the Department's impact on communities and to develop effective strategies through liaison groups and established relationships.

The Department continues to recognise the needs of registered victims of certain offences. It remains committed to supporting registered victims in accordance with the Victims' Rights Act 2002 and through its victim notification system. Progress made with respect to the system during the course of the 2003/04 financial year included entering into a Memorandum of Understanding with Victim Support and the development of the Victim Information Manager role, both with a view to improving the effectiveness and efficiency of the system. During 2004/05, the Department will undertake a sectoral review of victims' services.

ENVIRONMENTAL PERFORMANCE

The Department continued to develop and improve its ability to monitor the operational impact on the environment. With 18 existing prisons, 56 Community Probation Service centres, eight Psychological Service offices, 4,611 FTE staff, 6,555 inmates and 11,800 hectares of land under the Department's management, relevant environmental issues such as waste management, energy and water efficiency, land and stock management and river and stream protection will continue to be assessed to ensure environmental best practice is adhered to by the Department.

Recognition of such environmental awareness was received by the Waikeria Prison dairy farm that was awarded three of the available eight awards for environmental best practice at Environment Waikato's annual farming awards.

Environmental best practice is also adopted during the assessment and selection of new prison sites and includes the commissioning of detailed environmental effect reports. The reports typically provide the Department with an assessment of the potential impact of the corrections facilities on relevant environmental matters such as site ecology and the air and water quality.

The Department's move toward sustainable development and operations continues to be guided by its Environmental Risk Analysis completed during the 2002/03 financial year. In addition, a detailed Environmental Management System will be introduced to measure and audit the Department's environmental performance enabling it to achieve certification to an ISO 14001 level. An agreement entered into with the Energy Efficiency and Conservation Authority has also assisted the Department in determining appropriate environmental targets and initiatives.

Waste Management

Significant progress has been made with respect to understanding the manner in which waste is currently managed within the Department. One example is the recently completed waste-flow analysis of two of the Department's largest prisons. The analysis identified all waste by type, such as paper, cardboard, plastic, cans and putrescibles, and will enable the Department to estimate the amount of waste currently being produced across the organisation and to identify areas for improvement and potential waste management opportunities.

One such opportunity is the implementation of a departmental recycling programme that would, for example, reduce the amount of waste disposed of at the landfill, reduce the cost of waste disposal, minimise the demand on natural resources and identify the potential to reuse some of the waste material.

Other examples of reusing and recycling waste include:

- Waikeria Prison's food waste is sent to the prison's piggery, sawdust from the joinery workshop ends up as bedding for the prison farms' new calves, and cardboard boxes from the kitchen's bulk suppliers are recycled
- Wellington Prison print shop's waste paper is shredded and reused as bedding for animals at the city's zoo and SPCA shelter
- all of the Department's printer toner cartridges are recycled.

Energy and Water Management

The Department has continued to work toward achieving the goals highlighted in the five-year Energy Management Strategy approved in December 2002. The Department measures energy use by time and quantity.

Initiatives have been identified to reduce peak demand and develop more energy-saving programmes. One initiative captures, benchmarks and measures energy use more efficiently and effectively. This information is now being used to set realistic and reliable savings targets and energy budgets. In the face of

rising energy prices and increasing inmate numbers, the Department aims to permanently reduce energy consumption by 15 percent by 2008.

Table 27 below illustrates the use of six sources of energy and a comparison of energy use between the 2002/03 and 2003/04 financial years. The continued implementation of initiatives from the Department's Energy Management Strategy has resulted in a significant 10.4 percent energy saving in Head Office and, due to an increase in office size, a 14 percent energy saving per square metre of Head Office space.

The table also illustrates increases in the use of several energy sources within the Public Prisons Service. The increases are principally due to the additional energy demands arising from an approximate 8 percent increase in inmate numbers, a colder than normal last quarter of the 2003/04 financial year, the installation and use of additional gas appliances within various prisons, and improved systems to measure energy use.

TABLE 27: ENERGY USE AND CO² PRODUCTION

	2003		2004	
	kWh (energy units)	Tonnes of CO ₂	kWh (energy units)	Tonnes of CO ₂ produced
PUBLIC PRISONS				
Electricity	28,279,758	4,248	28,558,290	4,290
Gas	30,400,662	5,777	31,876,491	6,057
Oil	9,072,000	2,268	11,896,945	2,974
Coal	10,116,750	5,429	11,296,323	6,062
Wood (renewable)	2,342,500	-	2,400,000	-
Solar (hot water)	36,612	-	36,612	-
HEAD OFFICE				
Electricity	1,246,873	202	1,120,017	181
PROBATION AND OFFENDER SERVICES OFFICES				
Electricity	3,077,021	495	3,037,188	490
TOTAL	84,572,176	18,419	90,221,866	20,054

	2003		2004	
	kWh / m2 / year	Benchmark	kWh / m2 / year	Benchmark
Head Office Energy Consumption	143*	200	123	200

^{*} Amended from 117 kWh/m2/year recorded in the Annual Report 2002/03 in order to include the Head Office space used other than in Mayfair House.

One successful energy-saving initiative carried out in the 2003/04 financial year was the use of wood burners at six of the Tongariro/ Rangipo Prison units. The burners use 'slab wood', a renewable source of energy and a by-product of the forestry/timber milling industry that is only suitable for chipping or burning. Ongoing monitoring and maintenance of the burners ensures that they remain more environmentally efficient than the use of alternative non-renewable energy sources associated with the generation of electricity. Measurements taken during the year indicated a saving of 2,500,000 kWh of electrical power as a result of the use of the wood fire burners, representing a cash saving to the Department of over \$250,000.

It is proposed that a similar monitoring programme for water usage will be implemented in the forthcoming year in order to monitor consumption and quality and to establish conservation methods. Trials have also been proposed for the use of solar heating and other renewable energy sources.

ECONOMIC PERFORMANCE

The TBL framework will enable the Department to measure and report against the economic impact of, and economic issues arising from, its operations as opposed to solely reporting its financial performance.

As discussed in more detail below, personnel and operational expenditure remains the principal economic contribution made by the Department to communities that are local to its facilities and the homes of its staff, and the public. The amount of this expenditure is reported within the financial statements and, as such, is easily measured and reported from a TBL perspective.

Work completed under the Regional Prisons Development Project and the findings of economic impact reports have assisted the Department to understand better the economic impacts of potential corrections facilities on communities local to existing and proposed facilities.

During the 2004/05 financial year, work will continue into the research and development of further economic measures that are relevant to the Department's operations.

Personnel and Operational Expenditure

The economic impact of the Department's activities principally arises from the management of its physical and human resources including prison facilities, offices, land and staff. Total output expenses of \$488 million were incurred during the 2003/04 financial year in order to manage the Department's offenders and resources. Of this amount, \$241 million related to personnel costs including salaries and wages and a further \$150 million related to operational costs including facilities maintenance, offender management and the cost of administering the Department's resources. This expenditure benefits local businesses and communities through prison demand for goods and services and the resulting increase in employment opportunities as businesses seek to satisfy this demand.

Proposed Facilities

Analysis performed under the Regional Prisons Development Project assists the Department to determine the location of proposed facilities and, consequently, the communities that are to benefit economically from its activities. Independent economic impact reports commissioned by the Department on several proposed corrections facilities have concluded that a positive economic effect would flow on to the communities hosting corrections facilities and staff residences.

The positive effects would arise principally as a result of direct and indirect employment, general expenditure incurred by staff in communities local to the facility and their residence, and the purchase of goods and services by the prison facilities. These benefits would apply in both the construction and operational period of the proposed facilities. It was found that additional economic benefits may also flow on to residents close to the facilities through the extension or improvement of utilities required by the facilities such as roads, electricity, water, sewage and storm water pipes.

Education and Training

Economic and social benefits flow on to society through the education and upskilling of inmates and the delivery of rehabilitative programmes, such as the criminogenic programmes that address offenders' criminogenic needs. Criminogenic programmes include those that address issues such as violence prevention, youth offending, sex offending and substance abuse; and Māori therapeutic programmes involving alcohol and drug and violence prevention; and safe driving.

The intention of the education, training and rehabilitative programmes is to increase offenders' chances of gaining employment upon their release, reduce the likelihood of reoffending and to assist them with their reintegration into society. This in turn, has a positive economic and social benefit to New Zealand as a whole.

Inmate employment and training activities include farming, forestry, horticulture, manufacturing, construction, asset maintenance, kitchen, computer and community work activities. Inmates undertaking employment and training have the opportunity to receive an externally recognised qualification under the New Zealand Qualifications Authority.

The Department also provides inmates with the opportunity to participate in educational training programmes. The objective of these programmes is to raise the literacy and numeracy levels of inmates with needs in these areas, through the provision of basic literacy and numeracy programmes, National Certificate in Employment Skills (NCES) and other general education activities.

Noteworthy education and training related successes for the 2003/04 financial year include:

- praise from Mainzeal, one of New Zealand's largest construction firms, with respect to the quality of inmate-made precast concrete products managed by Corrections Inmate Employment;
- the successful open day for invited representatives from various joinery-related trades to tour Hawke's Bay Prison joinery.

 The tour set out to counter negative views of prison industries and resulted in positive feedback and, in some cases, enquiries from association members about how they could source staff from the joinery;

• the annual validation of Hawke's Bay Prison's organic garden certification. Inmates are provided with the opportunity to work towards formal NZQA unit standards such as the "Identification and organic control of pests" and "Germination and propagation of seedlings".

THE WAY AHEAD

The comments above provide a synopsis of the progress the Department has made against potential measures in each of the social, environmental and economic areas. The Department's TBL framework will be further developed during the 2004/05 financial year and, as such, the detail above does not yet represent a complete picture of the framework. The successes and work carried out to date are a result of the Department's commitment to addressing all potential issues and opportunities for improvement in conjunction with relevant stakeholders and staff, an approach the Department will carry into the 2004/05 and subsequent financial years.

REDUCING INEQUALITIES

EXTERNAL DRIVERS

Addressing re-offending by Māori and Pacific offenders remains a high priority for the Department. Māori and Pacific peoples continue to be disproportionately represented in the criminal justice system. This disproportionate representation is illustrated in the breakdown by ethnicity of offenders serving community-based sentences and prison inmates as at 30 June 2004.

This distribution is expected to persist because a high proportion of the Māori and Pacific population is aged between 15 to 24 years; the group that statistics indicate is most likely to offend.

FIGURE 8: COMMUNITY PROBATION OFFENDERS BY ETHNICITY

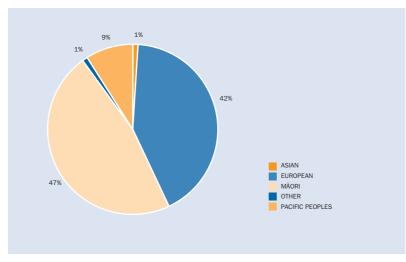
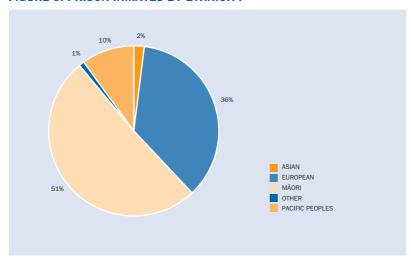


FIGURE 9: PRISON INMATES BY ETHNICITY



STRATEGIC RESPONSE

In response, the Department is committed to improving outcomes for Māori and Pacific wellness and wellbeing by developing relationships that lead to partnerships with Māori and Pacific communities.

In the Māori Strategic Plan 2003 -2008, this desire is expressed in the kaupapa statement adopted by the Department: namely, "Kotahi ano te kaupapa; ko te oranga o te iwi" (There is only one purpose (to our work); it is the wellness and wellbeing of the people). A similar aspiration is also expressed in the *Pacific Strategy* 2002 - 2005: namely, "Tatā le sualiu ne'i a'afia le folauga" (Bail the canoe or our voyage will not reach its destination). This explicitly links the Department's goals of creating safer communities and reducing reoffending to the wider aspirations of Māori and Pacific communities.

The *Māori Strategic Plan* and the *Pacific Strategy* reflect the Department's commitment to these goals.

ADDRESSING SPECIFIC NEEDS

The Department has implemented new offender management processes that reflect the best practice principles for reducing the risk of re-offending. This process entails matching the needs of higher-risk offenders with interventions that contribute to rehabilitation and reintegration.

Recent studies, including the evaluation of the Te Piriti Special Treatment Unit, the Montgomery House Violence Prevention Programme, and the Department's own recidivism and treatment outcome data, confirm that cultural aspects can be important in achieving reductions in re-offending.

Accordingly, the Department is committed to providing quality programmes and services that are effective for Māori and Pacific peoples from assessment to intervention.

Strategic Initiatives

lwi Relationship Development

Partnership activity has focused on engaging with hapū-based kaitiaki groups regarding the four new corrections facilities currently under development.

In addition to the Memorandum of Partnership that has been signed with Ngāti Rangi in Northland, effective relationships are being developed with kaitiaki in the planning and construction phases for facilities including the Auckland Region Women's Corrections Facility, Springhill Corrections Facility and Otago Region Corrections Facility.

The development of government policy on Crown–Māori Relationship Instruments (CMRI) and associated Treaty of Waitangi policy has informed the ongoing development of iwi level partnership arrangements.

Māori Provider Development Strategy

The aim of the Māori Provider Development Strategy is to improve the effectiveness of Corrections services for Māori through enhancing Māori participation in the delivery of services by:

- improving the effectiveness of Corrections services for Māori
- enhancing Māori participation in the delivery of services.

Under this strategy, the Department undertook a number of initiatives this year and these are discussed further below.

Chief Executive's Māori Advisory Group

Issues consulted on with this group during the year included:

- Whanau Involvement Plan
- Tikanga Māori Programme for Women Offenders
- regional treaty relationships facilitator roles
- Māori staff networks
- Kaupapa Māori Framework
- Tikanga Māori programmes
- Māori therapeutic programmes
- Māori focus units
- Whanau liaison worker review
- Kia Mau cultural training programme
- Specialist Māori Cultural Assessment
- strategic human resources (responsiveness).

Chief Executive's Pacific Advisory Group

Issues consulted on with this group during the year included:

- · Pacific focus unit
- Pacific provider development
- · Pacific staff networks
- research into New Zealand-born Pacific offenders
- Fautua Pasefika
- Pacific Peoples Regional Corrections Liaison Committee
- · Community Liaison Officers.

Pacific Community Advisory Groups

The Department has established the Pacific Peoples Regional Corrections Liaison Committee as a main avenue for providing Pacific communities with the opportunity to provide input into the building of two new regional facilities in South Auckland. Comprised of representatives from throughout the Pacific community, matters the group provided advice on included:

- Design of the Pacific facility proposed at Spring Hill
- consultation processes with Pacific communities in Auckland
- commissioning issues including operational and management issues relating to the new regional facilities
- aspirations of Pacific communities in Auckland regarding the new regional facilities.

Programmes

Tikanga Māori Programmes

Tikanga Māori Programmes are derived from a Māori values base with a focus on integrating traditional Māori values, knowledge, philosophies and practices into the everyday lives of Māori offenders. The programmes are designed to motivate Māori offenders to:

- address the underlying causes of their offending
- develop positive goals for the future.

The Department is working closely with external providers to implement an updated policy and service description for Tikanga Māori programmes. The new description will provide consistency across programme content and delivery, consolidate provider competencies, and ensure that the quality of programmes is monitored.

Māori Therapeutic Programmes

Māori Therapeutic Programmes are designed to reduce re-offending and are targeted at high-risk Māori offenders who are placed in the Public Prisons Service's Māori Focus Units. These programmes combine cognitive behavioural techniques (teaching the offender more adaptive ways of thinking and behaving) and Tikanga Māori to address a range of offending-related needs. The programmes build on the philosophies and practices of the Māori Focus Unit environment and Tikanga Māori programmes.

As with the Tikanga Māori programmes, the Department is working closely with external providers to implement an updated policy and service description for Māori Therapeutic Programmes. The new description will provide consistency across programme delivery and content of programmes, consolidate provider competencies, and ensure that the quality of programmes is monitored.

Tikanga Māori Programme for Women Offenders

The Department recently piloted a Tikanga Māori Programme for Women Offenders. Designed as a motivational programme, the pilot offered a culturally-responsive programme for Māori who look to Māori culture as a pathway for solutions to:

- address the underlying causes of their offending
- develop positive goals for the future.

An evaluation report on the pilot highlighted an increase in positive behaviour, high levels of motivation to change, and keen interest in further learning about Tikanga Māori for the majority of participants, and recommended that the Department continue to implement the programme with women offenders.

Specialist Māori Cultural Assessment

Specialist Māori Cultural Assessment is a valuable assessment tool providing improved information on cultural aspects, and motivating Māori offenders to participate in Māori interventions designed to help reduce their re-offending.

A review of the initiative concluded that the pilot was meeting the objectives established for it and achieving the intended benefits. Evidence also indicated that the assessment provided improved offender information.

This year the initiative has moved beyond the pilot phase and has been implemented on an ongoing basis in the Auckland and Waikato regions with a proposed hand-over to Probation and Offender Services in 2004/05.

Whanau Involvement Plan

The Whanau Involvement Plan is a three-year strategic framework that aims to provide a more effective service to Māori offenders by enabling whanau to support, assist, and engage their whanau member in the corrections system.

During this year, the Department progressed work on consolidating the role of the Whanau Liaison Worker. Located within the Department's five Māori Focus Units, the Whanau Liaison Worker plays an important role in providing Māori offenders with specifically targeted reintegrative support in order to maintain their culturally-enhanced rehabilitation.

The Whanau Involvement Plan will continue to be implemented in the 2004/05 year.

Saili Matagi Pacific Violence Prevention Programme Pilot

The Saili Matagi Violence
Prevention Programme integrates
Western treatment programme
components with Pacific cultural
values, beliefs and concepts. The
same approach is also used in other
programmes that address violent
offending such as criminogenic
programmes and those used at
the Violence Prevention Unit
at Rimutaka Prison.

An evaluation report on the pilot highlighted an increase in positive behaviour, high levels of motivation to change, with, in some instances, an immediate behavioural change and subsequent lowering of security classification.

Kaiwhakamana

Kaiwhakamana are kaumatua, kuia, tohunga, and others who through commendation by their whanau, hapū, iwi, community or organisation have been granted access to prisons, and to Māori inmates.

Kaiwhakamana support and advise on a range of issues including whakapapa and tikanga, contacts with whanau, hapū, and iwi, whanau relationships and business issues. They also provide spiritual support and guidance for whanau, hapū, and iwi members in prison, advice on inmates' personal and family matters, and advice on reintegration with whanau, hapū, and iwi. Kaiwhakamana will provide feedback to the Department on provision of services to Māori.

Fautua Pasefika

Fautua Pasefika are Pacific people who through commendation by their community or organisation have been granted access to prisons, and to Pacific inmates. Fautua Pasefika support and advise on a range of issues including the cultural, spiritual, religious or other special needs of an inmate. They advocate on behalf of Pacific communities on issues that affect the wellbeing of inmates.

Human Resources Initiatives

Māori Staffing Levels

This year, the targets for Māori employees across the Department were reviewed with recommendations that these targets remain at current levels. To date, 2010 targeting levels for Māori stand at 25.5 percent of frontline staff and 13 percent of managers, (24.8 percent of all employees).

As at 30 April 2004, 22 percent of staff employed by the Department identified themselves as Māori.

Scoping work related to the reviewing, recruitment and selection of Māori employees has been carried over into the 2004/05 financial year as a key strategic initiative.

Te Reo Māori (Māori Language) Strategy

A Te Reo Strategy has been developed along with an associated Te Reo allowance scheme that encourages and recognises staff achievements in obtaining recognised qualifications in Te Reo.

Review of Cultural Competencies for Frontline Staff

A service-specific cultural programme has been piloted and is to be introduced across the Department during 2004/05. Kia Mau is a Māori cultural training package that is intended to increase the knowledge and skills of staff to enable them to work more effectively with Māori offenders. The programme assists staff in developing skills and knowledge around the Treaty of Waitangi, relationship management, Te Ao Māori (Māori world view) and some aspects of Te Reo (Māori language).

The programme is ready for delivery, and training for programme facilitators is currently under-way.

Cultural Supervision

Cultural Supervision provides practical support for sentence planners, Probation Officers, and psychologists so they can work more effectively with Māori offenders. This is achieved by building staff competence in understanding Māori attitudes, behaviours and responses to re-offending, and providing a supportive context for the management of complex cultural issues.

An evaluation report identified that the initiative was delivered as designed and that in general provided a worthwhile forum for staff. The initiative has been implemented on an ongoing basis in the Auckland and Waikato regions with a proposed hand-over to Probation and Offender Services in the 2004/05 financial year.

Pacific Peoples Staffing Levels

This year, the targets for Pacific peoples across the Department were reviewed and recommendations are that the target of 8 percent for all staff and managers remain in place.

As at 30 April 2004, 5.5 percent of staff employed by the Department identified themselves as Pacific peoples.

Scoping work related to the reviewing, recruitment and selection of Pacific employees has been carried over into the 2004/05 financial year as a key strategic initiative.

Pacific Community Liaison Officers

The Pacific Community Liaison
Officer initiative was piloted this
year with four Prison Officers in
Auckland Prison undertaking the
role in addition to their usual duties.
The initiative has been established
to support community participation
in addressing Pacific re-offending
by:

- enhancing the Department's responsiveness to Pacific communities
- fully informing Pacific communities about the Department's work
- developing initiatives that specifically target the needs of Pacific offenders.

The initiative will continue in 2004/05.

2003/04 EXPENDITURE ON REDUCING INEQUALITIES

For the year ended 30 June 2004, the Department delivered a range of outputs to Government for the management and rehabilitation of offenders at an actual operating cost of \$549.1 million.

Of this amount, \$22.1 million was specifically targeted to assist with reducing re-offending by Māori. Details were as follows:

- Māori Focus Units costing \$16.4 million, of which \$15.0 million was for custody and \$1.4 million for programmes
- Bicultural therapy model costing \$0.3 million
- Māori policy work costing \$1.3 million
- Tikanga Māori programmes costing \$3.0 million
- Whanau Liaison Service costing \$0.6 million
- other Māori programmes costing \$0.5 million.

The outputs delivered to the government that were not new initiatives specifically targeted at reducing re-offending by Māori cost \$527 million. Of this amount, \$233.8 million was attributable to Māori, who comprise 44.36 percent of the offender population. A further \$47.2 million was attributable to Pacific peoples, because they comprise 8.96 percent of the offender population.

All of the above costs are calculated on a GST-inclusive 'fully absorbed' basis in that they include both direct and overhead costs in accordance with the Public Finance Act 1989.

DEPARTMENTAL STRUCTURE

AS OUTLINED PREVIOUSLY, THE DEPARTMENT IS RESPONSIBLE FOR THE PROVISION OF INFORMATION TO COURTS AS PART OF THE SENTENCING PROCESS AND THE MANAGEMENT OF OFFENDERS SENTENCED TO EITHER A CUSTODIAL OR COMMUNITY-BASED SENTENCE. THE DEPARTMENT IS ALSO RESPONSIBLE FOR THE DESIGN AND DELIVERY OF REHABILITATION AND REINTEGRATION INTERVENTIONS.

To provide these services the Department is organised into service delivery and support functions with a particular focus on working together in a cohesive manner across the organisation to improve overall performance. This focus is enhanced by regional management committees responsible for ensuring that operational management and service delivery are well integrated at the interface between the two key delivery arms of Probation and Offender Services and the Public Prisons Service.

SERVICES

The Public Prisons Service is responsible for the safe, secure and humane containment of sentenced and remand inmates. Sentenced inmates are those imprisoned following conviction. Remand inmates are those who have been charged with an offence and are being held in custody pending plea, trial or sentencing. The service is also responsible for managing the sentences of each sentenced inmate, including rehabilitation and reintegration.

Probation and Offender Services incorporates the Community Probation Service, the Psychological Service and Intervention Services.

• The Community Probation Service provides information and reports to judges (to assist them when sentencing offenders) and to prison management and the New Zealand Parole Board. The service manages community-based sentences and orders including supervision, community work, parole, home detention and release from prison on conditions. The Community Probation Service contracts with community providers for community-based rehabilitative and reintegrative programmes for offenders.

- The Psychological Service provides specialist clinical treatment and assessment advice for offenders, and training and education for departmental staff and community groups. The service provides specialist pre-assessment reports to courts and specialist risk assessment reports to the New Zealand Parole Board. The service undertakes research and is responsible for monitoring the integrity of assessments and programmes delivered within the Department.
- Intervention Services provides programmes to offenders serving prison terms and those on community-based sentences or orders. The service manages the Department's programme delivery requirements for criminogenic and some motivational programmes. Programme facilitators work closely with staff managing sentences in the other services. Intervention Services provides training to prison and probation staff on criminogenic needs assessment tools. Intervention Services became operational on 1 July 2004.

Facilities

As at 30 June 2004, the Department operated 18 Public Prisons Service institutions and the Auckland Central Remand Prison (managed by GEO Australia Pty Limited). During the next financial year the Department will commission the Northland Region Corrections Facility and integrate the Auckland Central Remand Prison into the Public Prisons Service.

The Department's Community Probation Service operates out of 12 areas (with staff at 144 locations); there are eight Psychological Service offices and, from 1 July 2004, Intervention Services began operating across the country.

In conjunction with Child, Youth and Family, Corrections piloted a programme designed to reduce reoffending by youth, which operates in Auckland and Christchurch. The Department operates six special treatment units located in prisons:

- two Sex Offender Treatment Units
- three Drug and Alcohol Treatment Units
- one Violent Offender Treatment Unit.

There are also prison units with a specific focus:

- five Māori Focus Units
- five Self-care Units
- four Youth Units
- one Faith-based Unit.



KEY



PUBLIC PRISONS SERVICE

Northern Region

- Northland Region Corrections Facility*
- Auckland Prison
- Mt Eden Prison
- Mt Eden Women's Prison 4

Waikato/Central Region

- Waikeria Prison
- Ohura Prison 6
- Tongariro/Rangipo Prison

Midland Region

- New Plymouth Prison
- Hawkes Bay Regional Prison
- Wanganui Prison 10
- 11 Manawatu Prison
- * operational in third quarter of 2004/05

Wellington Region

- 12 Rimutaka Prison
- Arohata Women's Prison 13
- Wellington Prison

Southern Region

- Christchurch Prison 15
- Christchurch Women's Prison 16
- Rolleston Prison 17
- Dunedin Prison 18
- Invercargill Prison 19

CORRECTIONS INMATE EMPLOYMENT

Corrections Inmate Employment (CIE) operates at each of the prisons.

PUBLIC PRISONS SERVICE REGIONS



PROBATION AND OFFENDER SERVICES

COMMUNITY PROBATION SERVICE

Northern Region Service Centres

- Kaitaia
- Kaikohe
- 3 Whangarei
- 4 Dargaville
- 5 Waitakere
- North Shore
- Auckland - Albert St
- 8 Mt Eden
- 9 Onehunga
- 10 Mangere
- 11 Otahuhu
- 12 Otara
- 13 Panmure 14 Manurewa
- 15 New Lynn
- 16 Papakura
- 17 Franklin

Central Region Service Centres

- 18 Paeroa
- 19 Tauranga John St 20
- Cameron St 21 Hamilton - Anglesea St
- 22
- 23 Te Awamutu
- 24 Tokoroa
- 25 Whakatane
- 26 Rotorua 27 Te Kuiti
- 28 Gisborne

- 29 Taupo
- 30 New Plymouth
- Hawera
- 32 Napier
- 33 Hastings
- 34 Wanganui
- 35 Palmerston North
- 36

Southern Region Service Centres

- 37 Masterton
- 38 Upper Hutt
- 39 Porirua - Hagley St 40 - Prosser St
 - Lower Hutt
- 41 42 Wellington
- 43 Nelson
- 44 Blenheim
- 45 Greymouth
- 46 Christchurch - Cnr Durham & Armagh Sts
- 47 - Peterborough St
- 48 - Stanmore Rd 49
- Pages Rd 50 - Kingsley St
- 51 - Winston Ave Victoria St
- 52 53 Timaru
- 54 Dunedin - King Edward St
- 55 - Lower Stuart St
- 56 Invercargill

COMMUNITY PROBATION SERVICE AND



INTERVENTION SERVICES

- Tristram St

- Auckland Regional Office
- Hamilton Regional Office
- Hawkes Bay Regional Office
- Palmerston North Regional Office
- Wellington Regional Office
- Christchurch Regional Office

PSYCHOLOGICAL SERVICE

Northern Region

- Auckland Office
- Te Piriti Special Treatment Unit
- (Auckland Prison) 3 Hamilton Office
- 4 Rotorua Office
- 5 Hawkes Bay Office
- Palmerston North Office 6

Southern Region

- Violence Prevention Unit (Rimutaka Prison)
- 8 Wellington Office
- Christchurch Office
- Kia Marama Special Treatment Unit (Rolleston Prison)
- 11 Dunedin Office

PSYCHOLOGICAL SERVICE REGIONS



PROGRAMME This programme is run in conjunction with Child, Youth

REDUCING YOUTH OFFENDING

- Auckland
- Christchurch

GROUPS

The Policy Development Group provides policy advice, strategic and trend analysis, develops correctional policy, contributes to legislative reviews and coordinates policy with other government agencies. The group incorporates the following units.

- The Strategic Analysis Unit provides analysis of forecasts and trends, manages the Department's research and evaluation work programme and calculates the Department's externally-reported outcome measures.
- The Māori and Pacific Policy Unit provides strategic and operational advice leading to improved outcomes for Māori and Pacific peoples.
- The Treaty Relationships Unit works to support the development and ongoing management of the Department's Treaty relationships with Māori.
- The Strategic and Legislative Policy Unit provides advice and input on any legislative development impacting on the Department.
- The Operational Policy Unit is responsible for ongoing development of the Department's key operational business processes.

The Corporate Management Group provides a range of services and advice to the Department.

- Information and Technology is responsible for the development and ongoing implementation of the Information Technology strategy, business critical applications and the implementation of the Department's Knowledge Management strategy.
- Planning and Monitoring is responsible for the Department's strategic and business planning and reporting processes, output/ outcome monitoring and international benchmarking activities.
- Corporate Services is responsible for contract management with key external providers, the provision of national systems and service descriptions and specifications that ensure the consistent delivery of core Corrections services, compliance monitoring, the victim notification system and support services within Head Office.
- Corporate Management also provides administrative support and training services for the New Zealand Parole Board.

The Strategic Services Group provides specialist advice and services to help run the Department. The group incorporates the following units.

- The Strategic Human Resources
 Unit is responsible for the
 development of the Department wide human resource strategy,
 policy and procedures.
- The Communications Unit is responsible for the communications

- strategy, project support, publications and media management.
- The Internal Audit Unit provides assurance to the Chief Executive on key statutory accountabilities and the operation of the Department's Risk Management Framework.
- The Prison Inspectorate provides assurance to the Chief Executive on the fair, safe, secure and humane treatment of offenders as well as the maintenance of the integrity of sentences imposed by the courts.

The Finance Group provides the Department with the following range of services.

- Corporate Finance provides accounting and payroll services, the management of the budget process and the Department's interface with the Treasury.
- Corrections Inmate Employment manages inmate employment in prisons throughout New Zealand. Inmates work and receive training under the supervision of instructors in areas such as joinery, catering, farming and forestry.
- The Assets and Property team manages land and buildings with a current value of approximately \$850 million. It also establishes the suitability of available sites on which to build prison facilities.
- The Regional Prisons Development Project team works towards the design, commissioning and construction of prisons once prison sites are available for use.

SENIOR MANAGEMENT TEAM

Corrections' Senior Management team comprises the Chief Executive and General Managers (GMs) of the Services and Groups.



Pictured from left (front row) are: Katrina Casey, GM Probation and Offender Services; Mark Byers, Chief Executive; Phil McCarthy, GM Public Prisons Service; and from left (back row): Mike Martelli, GM Strategic Services; Jared Mullen, GM Policy Development; Bob Calland, GM Corporate Management; Richard Morris, Chief Financial Officer.

The Director Internal Audit is part of the Strategic Services Group but has a direct relationship with the Chief Executive.

GOVERNANCE, ADVICE AND RELATIONSHIP ARRANGEMENTS

ASSURANCE BOARD

The purpose of the Assurance Board is to assist the Chief Executive in ensuring that the Department's Risk Management Framework is operating effectively and efficiently and, in particular, that:

- internal controls and quality assurance environments are robust and enhanced where necessary
- operational, legal, financial, information technology, human resource management and security systems risks are identified and managed
- management of the offender environment is maintained with issues appropriately addressed when they arise.

The Department's Risk Management Framework is based on the Australian/New Zealand Standard AS/NZS 4360:1999.

The Board receives regular reports from Internal Audit, the Inspectorate and departmental management, including progress reports on key projects such as the Regional Prisons Development Project and HR Payroll System implementation. A continued focus for the Board is the effective implementation of the Department's Offender Management processes. The Board maintains an oversight of the operations of the Department's Internal Audit and Inspectorate functions.

The Board is chaired by the Chief Executive and includes five external members: Brian Roche (Partner, PricewaterhouseCoopers); June McCabe (Director, Corporate Affairs Westpac); Gerry Conroy (Partner PricewaterhouseCoopers – resigned June 2004); David Henry (Chief Electoral Officer) and Steve Ruru (Chief Executive, Thames Coromandel District Council). Board meetings are bi-monthly.

CHIEF EXECUTIVE'S MĀORI ADVISORY GROUP

The Chief Executive's Māori Advisory Group has been established to provide direct advice and feedback to the Chief Executive on strategic, policy and operational issues that affect Māori communities.

The Group is chaired by the Chief Executive and includes six external members: Hori Martin, Haami Piripi, Amster Reedy, June Robinson, Althea Vercoe and Tui Warmenhoven.

Managed by Policy Development, the group meets quarterly and is part of ongoing Corrections business.

CHIEF EXECUTIVE'S PACIFIC ADVISORY GROUP

The Chief Executive's Pacific Advisory Group has been established to provide direct advice and feedback to the Chief Executive on strategic, policy, and operational issues that affect Pacific communities.

The group is chaired by the Chief Executive and includes five external members: Hugh Graham; Mai Malaulau; Tiresa Siataga Ta'ase; Taliaoa Filipo Tapoai and Edgar Tuinukuafe.

Managed by Policy Development, the group meets quarterly and is now part of ongoing Corrections business.

INMATE EMPLOYMENT ADVISORY COMMITTEE

The Inmate Employment Advisory Committee includes six external members: David Wolfenden (chairman); Andy Train; Dave Elliott; Ken Douglas; John Roper; and John Hamilton.

The focus of the committee during 2003/04 was on consolidating previous changes to set the platform for future growth in employment opportunities for inmates.

Falling commodity prices were offset by improvements in financial performance in other sectors to achieve an overall satisfactory result for the year for Output Class 6: Inmate Employment.

Inmate hours of employment for 2003/04 were down slightly. However, formal qualifications issued to inmates were well above budget.

Particular highlights for the year have included:

- the successful establishment of a finger jointing venture at Wanganui
- construction of cell metalwork and precast concrete panels for the new Northland Region Corrections Facility
- implementation of the new standard menus and national catering contracts.

INTERAGENCY AGREEMENTS

The Department of Corrections has in place a number of agreements with other government departments and agencies that aim to assist with achieving its goals of protecting the public and reducing re-offending. Respective responsibilities are clearly defined by entering into an agreement.

The purpose of an agreement is to create an environment of cooperation to facilitate a sharing of information to provide free-flowing access to the services each department and agency can provide.

The Department currently has in place interagency agreements with the following agencies:

- Ministry of Justice
- New Zealand Police
- Child, Youth and Family
- Ministry of Health
- Inland Revenue Department
- Accident Compensation Corporation
- Ministry of Housing
- New Zealand Housing Corporation
- Career Services
- Ministry of Social Development
- New Zealand Parole Board
- New Zealand Council of Victim Support Groups.

INTERSECTORAL COMMITTEES

The Department is represented on a large number of local, regional and national intersectoral committees that have been established to effect one of the government's key goals, that is, to "reduce inequalities in health, education, employment and housing". The purpose of the intersectoral committees is to achieve this goal through cooperation and participation in the wider community.

Committees the Department is represented on around the country include:

- Strengthening Families
- Safer Community Councils
- Violence Prevention Network
- Child Welfare Liaison
- Restorative Justice Committees
- Regional Forensic Advisory Committee
- Regional Intersectoral Fora
- Pacific Island Capacity Building Project.

NEW ZEALAND PAROLE BOARD

The New Zealand Parole Board is an independent statutory body established under section 108 of the Parole Act 2002 to perform various functions, mostly in relation to the release from detention of offenders serving sentences of imprisonment of more than two years and to consider offenders for home detention. The New Zealand Parole
Board produces its own Annual
Report that can be viewed at
www.paroleboard.govt.nz.
The Department provides
administrative and training support
for the New Zealand Parole Board.

VICTIM NOTIFICATION SYSTEM

The Department of Corrections is responsible under the Victims' Rights Act 2002 for notifying registered victims of certain offences about offenders in prison, on home detention or parole.

Victims are eligible to register if the offence is:

- one of sexual violation or other serious assault, or
- one that resulted in the serious injury to a person, in the death of a person, or in a person being incapable, or
- one of another kind that has led to the victim having ongoing fears on reasonable grounds for their physical safety or security, or the physical safety or security of members of their immediate family.

Victims apply to the Police who check applications and verify those that fulfil the criteria.

The Department records victim information on a database and notifies these victims about events such as the escape or death in custody of offenders, release to work, temporary releases, impending release dates and recalls to prison.

The New Zealand Parole Board is responsible under the Parole Act 2002 for notifying registered victims of impending parole hearings and the victim's right to make submissions to the Board. Victims are entitled to information about an inmate's sentence (including any programmes they have undertaken and completed, and their security classification) to help them prepare their submission.

More information on the victim notification system is on the Department's website.

PRIVATE PROVIDERS AND OUTSOURCING

ESCORT AND COURTROOM CUSTODIAL SERVICES

During the year, Chubb New Zealand Limited carried out 31,120 prisoner escort and 7,164 court custody tasks in Northland and Auckland under a contract with the Department, which commenced on 1 October 1998 and ended on 30 June 2004.

A tendering process was undertaken during the year to seek responses from organisations interested in providing the services. Proposals were received from a number of suitably qualified organisations and as a result of evaluating these, Chubb New Zealand Limited was selected as preferred provider and a five-year contract, commencing 1 July 2004, was entered into. Compliance monitoring of the new contract will be carried out under the same terms and conditions as previously with involvement of the Department's security monitor appointed under the provisions of the Penal Institutions Act.

AUCKLAND CENTRAL REMAND PRISON

The Auckland Central Remand Prison (ACRP) is managed by GEO Group Australia Pty Limited (previously called Australasian Correctional Management Pty Limited) under a contract with the Department for five years commencing on 13 July 2000.

The standard prison population at ACRP is 277 general population inmates and 22 special needs inmates. The prison has a capacity for up to 360 general population inmates and, during the year, the Department negotiated the availability of this level of capacity to address the increase in prison muster numbers.

ACRP continued to maintain a relatively low level of serious incidents with one suicide, no escapes, and three serious assaults, while 5.5 percent of general random drug tests returned a positive result. These incidents are included in the statistical information in Part 1 of this report, as well as in the service performance section contained in Part 2.

Under the Corrections Act 2004, contract management of prisons is not permitted and existing contracts may not be extended beyond their ending date. In this regard, management of ACRP will transfer to the Public Prisons Service on 13 July 2005.

HOME DETENTION

Home detention allows eligible offenders to serve their sentences outside prison under electronic and physical surveillance, and under supervision by Probation Officers from the Community Probation Service.

Chubb New Zealand Limited provided services related to the administration of home detention throughout New Zealand under a contract with the Department that commenced in August 1999. Under that contract Chubb New Zealand Limited provides electronic monitoring and manual surveillance services to the Department relating to offenders who are serving a home detention order.

Home detention is available within one hour's drive of most service centres. During the year 1,950 offenders commenced a home detention order.

EXTERNAL PROVIDERS OF PROGRAMMES FOR OFFENDERS

The Department contracted with a number of external providers for the provision of rehabilitative, motivational, educational and re-integrative programmes during the 2003/04 financial year.

Public Prisons Service

Rehabilitative

To assist in the rehabilitation of offenders the Public Prisons Service has entered into external contracts for the delivery of drug and alcohol and Māori therapeutic programmes.

Care New Zealand has been contracted for in-house delivery of alcohol and drug treatment programmes at Waikeria and Arohata prisons for the period through to 30 June 2005.

Local Māori providers were contracted to deliver therapeutic programmes at each of the five Māori Focus Units throughout the country. These programmes were designed to address the key specific cultural criminogenic needs of Māori within a culturally effective context. The Department has approved a revised policy and service description for the future delivery of Māori therapeutic programmes by local Māori providers, for implementation in the second half of the 2004/2005 financial year.

Motivational

The Public Prisons Service has contracted with two national providers and one regional provider for the delivery of Tikanga Māori programmes in the men's prisons, for the period through to 30 June 2006. Local Māori providers were also contracted to deliver Tikanga programmes in the Young Offenders Units and in two of the female prisons.

The Public Prisons Service has also introduced Christian-based programmes that are delivered in the faith-based unit at Rimutaka Prison by the Prison Fellowship of New Zealand.

Educational

The Public Prisons Service recognises that education can have a positive impact on the lives of inmates and is committed to providing appropriate education opportunities to inmates. Education interventions aim to increase inmates' opportunities to obtain employment once their sentence is complete, and thus contribute to a successful release.

The following educational services are provided to sentenced inmates:

- basic literacy and numeracy
- unit standards to attain the National Certificate in Employment Skills (NCES) qualification
- secondary education (the National Certificate in Educational Achievement (NCEA))
- English as a second language (ESOL)
- vocational training.

The Public Prisons Service has contracted with five regional providers for the delivery of NCES, four of whom are contracted for the period through to 30 June 2006, and one provider on an interim basis through to 31 December 2004, at which time a permanent provider will be appointed for the period to 30 June 2006.

For the delivery of literacy and numeracy, secondary education and ESOL, the delivery of learning material is through a national provider, while offenders are supported through the process by locally-contracted tutors.

Local providers are contracted for the delivery of vocational training (computer skills and drivers licences).

Reintegrative Services

The Public Prisons Service has contracted two external providers to deliver living, parenting and budgeting skills programmes throughout the 18 prison sites.

In addition, external providers have been contracted to deliver a tattoo removal programme at Auckland and Waikeria prisons, and a restorative justice programme (piloted in Hawke's Bay prison during 2003/04) where inmates are encouraged to confront their offending and to restore the damage done to victims.

Providers contracted by the Department include:

- Care New Zealand (1954)
 Limited alcohol and drug programmes
- Mahi Tahi Trust Tikanga Māori programmes
- MH Wananga Trust Tikanga Māori programmes
- Aotea Associated Consultants
 Tikanga Māori programmes
- Prison Fellowship of New Zealand
 faith-based unit programme
- restorative justice programme

- Workforce Consultants NCES
- Literacy Aotearoa NCES
- Dunedin Methodist Mission
 NCES
- Southland YMCA Education Limited – NCES
- Literacy Training Limited
 - NCES
 - living and budgeting skills
- Correspondence School of New Zealand
 - literacy and numeracy
 - ESOL
- Relationship Services parenting skills
- Mangere Health Centre tattoo removal.

Community Probation Service

The Community Probation Service contracted with a number of providers for the provision of both residential and non-residential programmes during the 2003/04 financial year.

All community-based Tikanga Māori programmes are delivered via contracts with Māori providers. A small number of individuals from Māori community provider organisations have also been trained and contracted to deliver departmental programmes (Straight Thinking and criminogenic programmes).

Non-residential programmes purchased included domestic violence prevention, sex offender treatment, and some alcohol and drug treatment programmes.

The Department continued to contract with three community residential centres for the provision of residential programmes:

- Te Ihi Tu Trust in New Plymouth, which delivers a Kaupapa Māori programme addressing issues relating to offending on an individual case management basis.
- Salisbury Street Foundation in Christchurch, which focuses on men who have a long history of offending and imprisonment.
- Montgomery House in Hamilton, which provides programmes for men who repeatedly commit serious violent offences.

In addition, the Community Probation Service contracted with two providers of reintegrative support services, one in Auckland and one in Christchurch.

LEGAL MANDATE

The Department operates within a strong compliance environment with regulations, contracts and delegations. Key pieces of legislation are:

- The Penal Institutions Act 1954

 (with the Penal Institutions
 Regulations 2000) provides
 the legal framework for the
 management and operation
 of prisons and inmates. The
 Department of Corrections
 administers this act.
- The Sentencing Act 2002
 (and associated regulations) was implemented on 30 June 2002 and together with the Parole Act, largely replaces the Criminal Justice Act 1985. The Department of Corrections and the Ministry of Justice jointly administer this act.
- The Parole Act 2002 (and associated regulations) was implemented on 30 June 2002 and, together with the Sentencing Act, largely replaces the Criminal Justice Act 1985. Most of the provisions relating to home detention are contained in the Parole Act. The Department of Corrections and the Ministry of Justice jointly administer this act.

PUBLIC REPORTS

The following reports were produced during the year and are available from the Department of Corrections Information Centre.

TE WHAKAKOTAHITANGA

An evaluation of the Te Piriti Special Treatment Programme for child sex offenders in New Zealand.

ANNUAL REPORT 2002/03

An annual report for the year 2002/03 is required under section 39 of the Public Finance Act 1989.

STATEMENT OF INTENT 2004/05

A statement of corporate intent for the year 2004/05 is required under section 34A of the Public Finance Act 1989.

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.

Breakout escape An escape from a secured prison area that breaches a physical barrier. This

definition includes an escape where an inmate has breached security measures provided the inmate 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 sentence A sentence of supervision, community work, periodic detention, or

community programme.

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. The sentence of community work is a new sentence combining elements of the community service and periodic detention sentences, which are being phased out in line with the Sentencing Act 2002.

Criminogenic needs Features of an offender's personality, lifestyle and social circumstances that

have been linked with a risk of re-offending.

Criminogenic programmes Programmes that address offenders' criminogenic needs. By addressing these,

offenders are less likely to re-offend.

Custodial sentence A sentence of imprisonment.

EQUIP A treatment programme provided in specialist youth units for young people

with anti-social behavioural problems. The programme aims to achieve

positive life outcomes for anti-social youth sentenced to prison.

Final release dateThe date on which an offender serving a determinate sentence must be

released. Subject to any liability to be recalled, an offender cannot be

detained in a penal institution beyond this date.

Home detention A community-based order that allows an offender to serve part of his or her

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.

Kia Marama Special therapeutic unit at Rolleston Prison in Canterbury that delivers

group-based treatment within a therapeutic environment for male inmates

with convictions for sexual offences against children.

Making Our Drivers Safer (MODS) A community-based programme for serious and high-risk driver offenders,

specifically targeted at those who compulsively drive while disqualified and

those who drive under the influence of drugs and/or alcohol.

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.

New start An offender starting a community-based sentence.

Non-return from temporary release Where an inmate does not return to prison at the appointed time.

Output Pricing Review A mechanism to determine with central agencies, resources required to

sustain the medium- to long-term delivery of departmental outputs.

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.

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 QuotientMeasures 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 and social attitudes, and life skills.

Reintegrative support servicesCommunity-based services that aim to increase wellbeing and self-reliance of

offenders and their families/whanau by providing intensive integrated family/ whanau support for offenders returning to the community to parent children.

This service is provided in Auckland and Christchurch.

Release-to-work programmes

An initiative that allows inmates nearing their release date, and who meet certain eligibility criteria, to be temporarily released during the day to work.

Remand inmate

An inmate who is held in custody before sentencing.

Responsivity/motivational

programmes

Programmes that aim to enhance an offender's ability to participate in interventions. These programmes may target offenders' willingness to participate, learning style, culture, level of literacy and/or drug and alcohol status. These programmes include Straight Thinking and Tikanga Māori.

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 inmates with convictions for sexual offences against children.

Tikanga Māori

Māori customs.

VALUES

PROFESSIONALISM

- Managers and staff interacting with offenders in a professional manner
- Working together, being responsive to others and enhancing relationships, both internally and externally
- Being an employer of choice that values professionalism, continues to invest in staff and managers, encourages them to take pride in their work and values the contribution that they make

RESPONSIVENESS

- Enabling and ensuring that individuals take personal responsibility for their actions
- Innovation in service performance excellence

INTEGRITY

• Fairness, acting with impartiality and integrity, with respect for the rights and the rule of law at all times

DIVERSITY

• Being an organisation that values diversity and treats all people with respect

EFFECTIVENESS AND EFFICIENCY

- Being effective in improving outcomes for Māori and Pacific peoples
- Effectively contributing to Protecting the Public and to Reducing Re-offending
- Delivering an efficient integrated service to the public and offenders with transparency and accountability.

DEPARTMENT OF CORRECTIONS' STRATEGIC DIRECTION

ENSURING EFFECTIVE OFFENDER MANAGEMENT
IMPROVING RESPONSIVENESS TO MĀORI
CONTRIBUTING TO REDUCING RE-OFFENDING
ENHANCING CAPABILITY AND CAPACITY