



**PART 2**

**FORECAST  
FINANCIAL  
STATEMENTS  
AND  
STATEMENT  
OF SERVICE  
PERFORMANCE**

## PART 2 – FORECAST FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE

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## STATEMENT OF RESPONSIBILITY

The forecast financial statements of the Department of Corrections presented in this report for the year ending 30 June 2005 have been prepared in accordance with section 34A of the Public Finance Act 1989.

In terms of this provision, I am responsible for the preparation and contents of this report. I accept responsibility for the integrity of the statements, including the forecast financial statements, contained in this report.

The forecast statement of objectives for output performance and the service performance objectives for output performance, the statement of objectives for financial performance and the forecast financial statements, are as agreed with the Minister of Corrections as Minister responsible for the Department of Corrections.

I certify that this information is consistent with the appropriations contained in the Estimates of Appropriations for 2004/05, which are being laid before the House of Representatives under section 9 of the Public Finance Act 1989.



Signed

**Mark Byers**

Chief Executive

26 April 2004



Countersigned

**Richard Morris**

Chief Financial Officer

26 April 2004

# FINANCIAL SUMMARY

## FINANCIAL HIGHLIGHTS

The following financial highlights for the Department of Corrections present a forecast of performance for the year ending 30 June 2005.

In 2004/05 the Department of Corrections expects to earn income of:

- \$510.103 million in revenue from the Crown
- \$26.406 million in revenue from other sources.

Expenses of \$536.509 million are expected in purchasing services that will be supplied and administered under the 10 departmental output classes. The distribution of this expenditure is intended as follows:

- \$27.284 million (5.09 percent of the Vote) on psychological reports, remand pre-sentence reports, reparation reports, same-day reports, home detention reports and agreements, oral information reports and home leave and pre-release reports for prisons;
- \$61.750 million (11.50 percent of the Vote) on management and delivery of community-based sentences and orders through sentence management and sentence compliance services;
- \$50.844 million (9.48 percent of the Vote) on custodial remand services and provision of facilities to hold people charged with offences, and offenders convicted but not yet sentenced;

- \$6.326 million (1.18 percent of the Vote) on the transportation of inmates to and from court and their custody while at court;
- \$291.728 million (54.38 percent of the Vote) on custodial services, the provision of facilities, and administering sentences of imprisonment;
- \$34.901 million (6.51 percent of the Vote) on inmate employment, including the provision and administration of constructive activity and training opportunities designed to help address the underlying causes of criminal re-offending;
- \$49.419 million (9.21 percent of the Vote) on prison and community-based rehabilitative and reintegrative programmes, which incorporate psychological services designed to address the underlying causes of criminal re-offending, and on the administration of support services for inmates serving custodial sentences;
- \$5.870 million (1.09 percent of the Vote) on services to the New Zealand Parole Board relating to the provision of administrative, financial and secretariat services;
- \$4.468 million (0.83 percent of the Vote) on development of policies, and Ministerial servicing relating to

the reduction of re-offending, the effective management of corrective services, and the review, evaluation and development of service standards;

- \$3.919 million (0.73 percent of the Vote) on contract management, national systems, inspectorate services and custodial assurance.

The Department will also receive a capital contribution of \$138.683 million to construct corrections facilities at Otago, Auckland and Northland, and for deferred maintenance and prison security.

More details of how each of the output classes will be spent are given in tables contained in pages 57 to 96.

The Department of Corrections manages a government investment (through taxpayers' funds) of \$815.172 million and expects a negative net cash flow from operations and investment of \$158.720 million.

The financial information in pages 41 to 55 consists of forecasts. The actual results achieved for the periods covered are likely to vary from the information presented, and the variations may be material.

## FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEARS ENDING 30 JUNE 2004 AND 30 JUNE 2005

	2003/04 Budget \$000	2003/04 Estimated Actual \$000	2004/05 Forecast \$000
Revenue: Crown	439,860	462,142	510,103
Revenue: Department	1,496	1,752	2,908
Revenue: Other	23,498	26,998	23,498
Output expenses	464,854	492,569	536,509
Net surplus/(deficit)	-	(4,177)	-
Taxpayers' funds	713,556	676,489	815,172
Net cash flows from operating and investing activities	(107,075)	(81,265)	(158,720)

## FORECAST STATEMENT OF FINANCIAL PERFORMANCE

FOR THE FINANCIAL YEARS ENDING 30 JUNE 2004 AND 30 JUNE 2005

	2003/04 Budget \$000	2003/04 Estimated Actual \$000	2004/05 Forecast \$000
<b>REVENUE:</b>			
Crown	439,860	462,142	510,103
Department	1,496	1,752	2,908
Other	23,498	26,998	23,498
<b>Total Revenue</b>	<b>464,854</b>	<b>490,892</b>	<b>536,509</b>
<b>OUTPUT EXPENSES:</b>			
Personnel	225,872	242,040	260,788
Operating	135,974	152,132	163,546
Depreciation	46,500	46,500	52,509
Loss arising from revaluation of land and buildings	-	-	-
Other output expenses	-	-	-
Capital charge	56,508	51,897	59,666
<b>Total output expenses</b>	<b>464,854</b>	<b>492,569</b>	<b>536,509</b>
Surplus/(deficit) from operations	-	(1,677)	-
Profit/(loss) on sale of physical assets	-	-	-
Other (non-output) expenses	-	(2,500)	-
<b>Net surplus/(deficit)</b>	<b>-</b>	<b>(4,177)</b>	<b>-</b>

## FORECAST STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS

FOR THE FINANCIAL YEARS ENDING 30 JUNE 2004 AND 30 JUNE 2005

	30 June 2004	30 June 2005
	Estimated	Forecast
	Actual \$000	\$000
<b>TAXPAYERS' FUNDS BROUGHT FORWARD AS AT 1 JULY</b>	<b>610,557</b>	<b>676,489</b>
Movements during the year (other than flows to and from the Crown)		
Add/(deduct) net surplus/(deficit)	(4,177)	-
Increase/(decrease) valuation reserves	-	-
Other	-	-
<b>Total recognised revenues and expenses for the period</b>	<b>(4,177)</b>	<b>-</b>
Adjustment for flows to and from the Crown		
Add capital contributions from the Crown during the period	69,761	138,683
(Deduct) distributions to the Crown during the period	-	-
Provision for payment of surplus to the Crown	-	-
Other	-	-
Add/(deduct)		
Asset/liability transfers between the Department and the Crown	348	-
<b>Total adjustments for flow to and from the Crown</b>	<b>70,109</b>	<b>138,683</b>
<b>Taxpayers' funds at end of period</b>	<b>676,489</b>	<b>815,172</b>

## FORECAST STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2003, 30 JUNE 2004 AND 30 JUNE 2005

	30 June 2003 Actual \$000	30 June 2004 Estimated Actual \$000	30 June 2005 Forecast \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	64,369	51,719	31,682
Prepayments	897	850	850
Accounts receivable	4,306	4,300	4,300
Inventories	4,143	4,100	4,100
Debtor Crown	-	-	-
<b>Total current assets</b>	<b>73,715</b>	<b>60,969</b>	<b>40,932</b>
<b>Non-current assets</b>			
Livestock	6,526	6,526	6,526
Investments	5,377	5,748	5,748
Physical assets	604,112	687,323	846,043
<b>Total non-current assets</b>	<b>616,015</b>	<b>699,597</b>	<b>858,317</b>
<b>Total assets</b>	<b>689,730</b>	<b>760,566</b>	<b>899,249</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	42,971	43,400	43,400
Capital charge payable	-	-	-
Provision for repayment of surplus	1,146	-	-
Provision for employee entitlements	26,220	28,000	28,000
Other current liabilities	-	-	-
<b>Total current liabilities</b>	<b>70,337</b>	<b>71,400</b>	<b>71,400</b>
<b>Term liabilities</b>			
Provision for employee entitlements	8,836	12,677	12,677
Other term liabilities	-	-	-
<b>Total term liabilities</b>	<b>8,836</b>	<b>12,677</b>	<b>12,677</b>
<b>Total liabilities</b>	<b>79,173</b>	<b>84,077</b>	<b>84,077</b>
<b>TAXPAYERS' FUNDS</b>			
General funds	610,339	676,271	814,954
Revaluation reserves	218	218	218
<b>Total taxpayers' funds</b>	<b>610,557</b>	<b>676,489</b>	<b>815,172</b>
<b>Total liabilities and taxpayers' funds</b>	<b>689,730</b>	<b>760,566</b>	<b>899,249</b>



## FORECAST STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEARS ENDING 30 JUNE 2004 AND 30 JUNE 2005

	2003/04 Budget \$000	2003/04 Estimated Actual \$000	2004/05 Forecast \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash provided from:			
Supply of outputs to:			
Crown	439,860	462,142	510,103
Departments	1,496	1,752	2,908
Other	23,498	27,004	23,498
Cash disbursed to:			
Output expenses	(361,846)	(388,306)	(424,334)
Capital charge	(56,508)	(51,897)	(59,666)
Other expenses	-	-	-
<b>Net cash flows from operating activities</b>	<b>46,500</b>	<b>50,695</b>	<b>52,509</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash provided from:			
Sale of investments	-	(23)	-
Sale of physical assets	1,950	1,801	1,072
Cash disbursed to:			
Purchase of investments	-	-	-
Purchase of physical assets	(155,525)	(133,738)	(212,301)
<b>Net cash flows from investing activities</b>	<b>(153,575)</b>	<b>(131,960)</b>	<b>(211,229)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash provided from:			
Capital contribution from the Crown	97,520	69,761	138,683
Cash disbursed to:			
Payment of surplus to the Crown	-	(1,146)	-
<b>Net cash flows from financing activities</b>	<b>97,520</b>	<b>68,615</b>	<b>138,683</b>
<b>Net increase/(decrease) in cash held</b>	<b>(9,555)</b>	<b>(12,650)</b>	<b>(20,037)</b>
Opening total cash balances at 1 July	37,837	64,369	51,719
<b>Closing cash balances as of 30 June</b>	<b>28,282</b>	<b>51,719</b>	<b>31,682</b>

## FORECAST RECONCILIATION OF NET OPERATING CASH FLOWS

FOR THE FINANCIAL YEARS ENDING 30 JUNE 2004 AND 30 JUNE 2005

	2003/04 Budget \$000	2003/04 Estimated Actual \$000	2004/05 Forecast \$000
<b>OPERATING SURPLUS/(DEFICIT)</b>	-	(4,177)	-
<b>Add/(deduct) non-cash items</b>			
Loss arising from the devaluation of land and buildings	-	-	-
Loss on sale of a fixed asset	-	-	-
Depreciation and amortisation	46,500	46,500	52,509
Other non-cash items	-	2,500	-
<b>Add/(deduct) Working Capital movements</b>			
(Increase)/decrease in inventories	-	43	-
(Increase)/decrease in debtors and receivables	-	6	-
(Increase)/decrease in debtor Crown	-	-	-
(Increase)/decrease in prepayments	-	47	-
(Increase)/decrease in creditors and payables	-	155	-
(Increase)/decrease in capital charge payable	-	-	-
(Increase)/decrease in other accrued liabilities	-	-	-
(Increase)/decrease in employee entitlements	-	5,621	-
Other items	-	-	-
<b>Net Working Capital movements</b>	-	<b>5,872</b>	-
<b>Net cash flows from operating activities</b>	<b>46,500</b>	<b>50,695</b>	<b>52,509</b>

## FORECAST DETAILS OF FIXED ASSETS

BY CATEGORY AS AT 30 JUNE 2004 AND 30 JUNE 2005

	30 June 2004 Estimated Actual			30 June 2005 Forecast		
	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000
Land	76,844	-	76,844	77,744	-	77,744
Forests	35,277	-	35,277	35,777	-	35,777
Buildings	565,174	55,219	509,955	669,675	-	669,675
Plant and equipment	31,179	20,134	11,045	33,679	23,134	10,545
Leasehold improvements	8,736	4,942	3,794	8,836	5,542	3,294
Furniture and fittings	7,438	4,767	2,671	7,838	4,967	2,871
Motor vehicles	31,601	17,409	14,192	32,601	19,109	13,492
Computer equipment	75,467	41,922	33,545	81,767	49,122	32,645
<b>Total</b>	<b>831,716</b>	<b>144,393</b>	<b>687,323</b>	<b>947,917</b>	<b>101,874</b>	<b>846,043</b>

# STATEMENT OF OBJECTIVES

## FORECAST OUTPUT CLASS OPERATING STATEMENTS

The Department of Corrections is committed to providing output classes in 2004/05 that meet the requirements of the Minister of Corrections and other stakeholders in terms of each class's nature, quantity, quality, timeliness and cost.

Departmental output classes to be delivered by the Department of Corrections for the year ending 30 June 2005, and their associated revenue, expenses and surplus or deficit, are summarised in the table below.

Departmental Output Class	Description	Revenue Crown \$000	Revenue Depts \$000	Revenue Other \$000	Total Expenses \$000	Surplus/ (deficit) \$000
<b>VOTE CORRECTIONS</b>						
<b>Output Class 1:</b> Information Services	Provision of psychological, pre-sentence, reparation, home leave and pre-release reports to courts and the New Zealand Parole Board	27,284	-	-	27,284	-
<b>Output Class 2:</b> Community-based Sentences and Orders	Management and delivery of community-based sentences and orders through case management and sentence compliance services	61,750	-	-	61,750	-
<b>Output Class 3:</b> Custody of Remand Inmates	Provision of facilities to hold people charged with offences, and people convicted for offences, but not yet sentenced	50,844	-	-	50,844	-
<b>Output Class 4:</b> Escorts and Custodial Supervision	Transportation of inmates and their custody while at court	6,326	-	-	6,326	-
<b>Output Class 5:</b> Custodial Services	Provision of facilities and administering sentences of imprisonment	290,316	1,412	-	291,728	-
<b>Output Class 6:</b> Inmate Employment	Provision and administration of employment and related training activities	11,403	-	23,498	34,901	-
<b>Output Class 7:</b> Rehabilitative Programmes and Reintegrative Services	Provision of prison and community-based rehabilitative and reintegrative programmes	47,923	1,496	-	49,419	-

## FORECAST OUTPUT CLASS OPERATING STATEMENTS (continued)

Departmental Output Class	Description	Revenue Crown \$000	Revenue Depts \$000	Revenue Other \$000	Total Expenses \$000	Surplus/ (deficit) \$000
<b>Output Class 8:</b> Services to the New Zealand Parole Board	Provision of administrative, financial and secretariat services	5,870	-	-	5,870	-
<b>Output Class 9:</b> Policy Advice and Development	Development of policies and Ministerial servicing	4,468	-	-	4,468	-
<b>Output Class 10:</b> Service Purchase and Monitoring	Contract management, national systems inspectorate services and custodial assurance	3,919	-	-	3,919	-

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# SUPPORTING STATEMENTS

## STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDING 30 JUNE 2005

### REPORTING ENTITY

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

These are the financial statements of the Department of Corrections prepared pursuant to section 35 of the Public Finance Act (1989).

### REPORTING PERIOD

The reporting period covers the 12 months from 1 July 2004 to 30 June 2005. Comparative projected figures for the year ended 30 June 2004 are provided.

### MEASUREMENT SYSTEM

These financial statements have been prepared on the basis of modified historical cost.

## Accounting Policies

### PRINCIPLES OF CONSOLIDATION

Interdivisional transactions and internal charges have been eliminated on consolidation.

### 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 which 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.

### PROPERTY, PLANT AND EQUIPMENT

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 results in a debit balance in the revaluation reserve, the debit balance will be expensed in the Statement of Financial Performance.

Land and buildings were last revalued as at 30 June 2002.

All other fixed 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 an asset revaluation reserve for that class of asset. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the Statement of Financial Performance.

### DEPRECIATION

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

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

Buildings – structure	50 years	(2%)
Buildings – fit-outs	3 to 20 years	(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 10 years	(10% 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%)

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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.

Depreciation is not provided on items under construction, land or forests.

#### **INVENTORY**

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

#### **EMPLOYEE ENTITLEMENTS**

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

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

#### **STATEMENT OF CASH FLOWS**

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

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

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

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

#### **LIVESTOCK**

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

#### **INVESTMENTS**

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



**FOREIGN CURRENCY**

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

**TAXPAYERS' FUNDS**

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

**CHANGES IN ACCOUNTING POLICIES**

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

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

## GST STATUS OF DEPARTMENTAL OUTPUT CLASSES

The forecast financial statements in this report present expenses (and revenue) exclusive of GST, in accordance with generally accepted accounting practice. When appropriated by Parliament, these expenses are inclusive of GST, in accordance with legislation.

- The GST-exclusive amounts for each departmental output class correspond to “total expenses” for 2004/05 appearing in the Forecast Output Operating Statements in this report. The aggregate amount for all 10 output classes corresponds to “total output expenses” for 2004/05 in the Forecast Statement of Financial Performance.
- The GST-inclusive amounts for each departmental output class correspond to the annual appropriations (in bold) for 2004/05 appearing in Part B1 of *Estimates of Appropriations: Vote Corrections*.

This information is summarised in the table below.

### SUMMARY OF THE DEPARTMENTAL OUTPUT CLASSES FOR THE FINANCIAL YEAR ENDING 30 JUNE 2005

#### GST STATUS OF DEPARTMENTAL OUTPUT CLASSES

Departmental Output Classes	GST-exclusive (S01) \$000	GST \$000	GST-inclusive (vote) \$000
Information Services	27,284	3,410	30,694
Community-based Sentences and Orders	61,750	7,718	69,468
Custody of Remand Inmates	50,844	6,355	57,199
Escorts and Custodial Supervision	6,326	790	7,116
Custodial Services	291,728	36,467	328,195
Inmate Employment	34,901	4,362	39,263
Rehabilitative Programmes and Reintegrative Services	49,419	6,178	55,597
Services to the New Zealand Parole Board	5,870	734	6,604
Policy Advice and Development	4,468	559	5,027
Service Purchase and Monitoring	3,919	490	4,409
<b>Total Departmental Output Classes</b>	<b>536,509</b>	<b>67,063</b>	<b>603,572</b>

# SERVICE PERFORMANCE OBJECTIVES – OUTPUT PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2005

## OUTPUT CLASS 1 INFORMATION SERVICES

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

### OUTPUT 1.1 SENTENCING INFORMATION AND ADVICE TO COURTS

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of reports to courts <sup>3</sup> :	29,000	27,700-31,700 <sup>4</sup>
The number of hours for attendance at courts:	56,500	54,000-59,400 <sup>4</sup>
<b>Quality</b>		
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%	95%
<ul style="list-style-type: none"> <li>• written reports in a specified format</li> <li>• verification process specified/rationale for no verification</li> <li>• concise, logical and grammatically correct</li> <li>• clear statement of recommendation consistent with the law.</li> </ul>		
The number of written complaints from judges to be no more than:	15	15
<b>Timeliness</b>		
The percentage of reports to courts provided to a timetable set through service level agreements to be no less than:	98%	98%

<sup>3</sup> Reports include pre-sentence (level 1 and level 2), reparation, and oral information reports.

<sup>4</sup> Revised budget projections as amended through 2003/04 Supplementary Estimates (Supp Ests).

## P OUTPUT 1.2 PAROLE INFORMATION AND ADVICE TO THE NEW ZEALAND PAROLE BOARD

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of New Zealand Parole Board pre-release reports prepared for inmates:	4,400	4,400
<b>Quality</b>		
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 to be no less than:	100%	100%
<ul style="list-style-type: none"> <li>• the reports are clear and concise, identifying major points to enable the Board to make a decision on the inmate's release</li> <li>• 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</li> <li>• each inmate is involved in the development of his or her report</li> </ul>		
<b>Timeliness</b>		
The percentage of New Zealand Parole Board pre-release reports provided within the deadlines set by the Board to be:	100%	100%

**OUTPUT 1.3 HOME LEAVE REPORTS****P**

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of home leave reports:	900	660-860 <sup>5</sup>
<b>Quality</b>		
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%	98%
<ul style="list-style-type: none"> <li>• reports completed and all questions addressed</li> <li>• concise, logical and grammatically correct.</li> </ul>		
<b>Timeliness</b>		
The percentage of home leave reports provided within two weeks of request to be no less than:	98%	98%

**OUTPUT 1.4 HOME DETENTION ASSESSMENTS TO THE NEW ZEALAND PAROLE BOARD****P**

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of home detention specialist reports:	4,200	3,900-4,500 <sup>5</sup>
<b>Quality</b>		
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%	98%
<ul style="list-style-type: none"> <li>• written reports in a specified format</li> <li>• verification process specified/rationale for no verification</li> <li>• concise, logical and grammatically correct</li> <li>• statement of recommendations consistent with the law.</li> </ul>		
<b>Timeliness</b>		
The percentage of home detention specialist reports provided within two weeks of request to be no less than:	98%	98%

<sup>5</sup> Revised budget projections as amended through 2003/04 Supplementary Estimates.

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

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of New Zealand Parole Board reports:	600	570-630
The number of reports to courts:	156 <sup>e</sup>	100
<b>Quality</b>		
The percentage of New Zealand Parole Board reports provided to the standards contained in service descriptions and the Psychological Service Manual to be no less than:	98%	98%
The percentage of reports to courts provided to the standards contained in the service descriptions and Psychological Service Manual to be no less than:	98%	98%
<ul style="list-style-type: none"> <li>• written reports in a specified format</li> <li>• concise, logical and grammatically correct</li> <li>• source and reason for referral are clearly stated</li> <li>• all relevant and appropriate information included</li> <li>• sources of information well documented and verified</li> <li>• clear statement of recommendations for further investigation</li> <li>• complies with the Code of Ethics of the NZ Psychological Society 1986</li> </ul>		
<b>Timeliness</b>		
The percentage of New Zealand Parole Board reports provided within deadlines set by the Board to be:	100%	100%
The percentage of reports to courts provided to a timetable set through service level agreements to be:	100%	100%

### COSTS FOR OUTPUT CLASS 1 INFORMATION SERVICES

#### FOR THE YEAR ENDING 30 JUNE 2005

Outputs in this class will be provided within the appropriated sum of \$30.694 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Other (GST exclusive) (\$000)
2004/05 S01	30,694	27,284	27,284	27,284	-
2003/04 Supp Ests	29,846	26,535	26,483	26,483	-
2003/04 S01	28,594	25,417	25,417	25,417	-

<sup>e</sup> Includes assessments in support of applications to courts for Extended Supervision Orders for the management of high-risk child sex offenders in the community.

## OUTPUT CLASS 2

### COMMUNITY-BASED SENTENCES AND ORDERS

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

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 41,386 new sentences and orders.

#### OUTCOME

The following outcome measures will be used to determine the effectiveness of the Department's initiatives in this output class to reduce re-offending with the percentage of offenders:

- not re-imprisoned within 12 months of their release from prison
- not re-imprisoned within 24 months of their release from prison
- conviction-free 12 months after the completion of their sentence/order
- conviction-free 24 months after the completion of their sentence/order.

Progress towards the achievement of these outcomes will be reported on in the Department's 2004/05 Annual Report. This also relates to Output Class 5 and Output Class 7.

#### OUTPUT 2.1 SUPERVISION

P

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of supervision sentences:	5,100	4,500-5,500 <sup>7</sup>
<b>Quality</b>		
The percentage of offenders who comply with the special conditions imposed as part of their sentence to be no less than:	68%	68%

<sup>7</sup> Revised budget projections as amended through 2003/04 Supplementary Estimates.

## P OUTPUT 2.2 COMMUNITY WORK

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of community work sentences:	29,000	28,600-30,600 <sup>8</sup>
<b>Quality</b>		
The percentage of offenders who successfully complete a community work sentence to be no less than:	70%	70%

## P OUTPUT 2.3 HOME DETENTION ORDERS

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of offenders directed to complete a home detention order:	2,100	2,100-2,300 <sup>8</sup>
<b>Quality</b>		
The percentage of offenders on home detention with a sentence plan to address their rehabilitative or employment needs, to be no less than:	98%	98%

<sup>8</sup> Revised budget projections as amended through 2003/04 Supplementary Estimates.



## OUTPUT 2.4 PAROLE ORDERS

P

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of inmates directed to complete a parole order:	1,200	850-1,350 <sup>9</sup>
<b>Quality</b>		
The percentage of offenders who comply with the special conditions imposed as part of their order to be no less than:	65%	65%

## OUTPUT 2.5 ORDERS FOR POST-RELEASE CONDITIONS

P

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of inmates released on post-release conditions imposed by the court:	3,900	3,300-3,700 <sup>9</sup>
<b>Quality</b>		
The percentage of offenders who comply with the conditions imposed as part of their order to be no less than:	65%	65%

<sup>9</sup> Revised budget projections as amended through 2003/04 Supplementary Estimates.

## P OUTPUT 2.6 EXTENDED SUPERVISION ORDERS

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of offenders commencing an extended supervision order:	86	new standard
The number of offenders subject to an extended supervision order at 30 June	86	new standard
<b>Quality</b>		
The percentage of offenders on extended supervision with a sentence plan prepared and managed to the standards in the relevant service description and the CPS operations manual to be no less than:	100%	new standard

### COSTS FOR OUTPUT CLASS 2 COMMUNITY-BASED SENTENCES AND ORDERS FOR THE YEAR ENDING 30 JUNE 2005

Outputs in this class will be provided within the appropriated sum of \$69.468 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Other (GST exclusive) (\$000)
2004/05 SOI	69,468	61,750	61,750	61,750	-
2003/04 Supp Ests	65,940	58,627	58,512	58,512	-
2003/04 SOI	63,041	56,036	56,036	56,036	-

## 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 10,549 new remand inmates, representing an average prison population of 1,170 remand inmates. This demand is met by approximately 1,288 beds across 16 remand facilities with any overflow accommodated in segregated custodial facilities.

### OUTPUT 3.1 CUSTODY OF REMAND INMATES

P

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The average number of remand inmates held by the		
• Auckland Central Remand Prison:	257	257
• Public Prisons Service:	913 <sup>10</sup>	686
<b>Quality</b>		
The number of breakouts per annum to be no more than:	2	2
The number of all other escapes per annum to be:	0	1
The number of breakouts per annum from Auckland Central Remand Prison to be:	0	0

### COSTS FOR OUTPUT CLASS 3 CUSTODY OF REMAND INMATES FOR THE YEAR ENDING 30 JUNE 2005

Outputs in this class will be provided within the appropriated sum of \$57.199 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Other (GST exclusive) (\$000)
2004/05 SOI	57,199	50,844	50,844	50,844	-
2003/04 Supp Ests	51,542	45,869	45,383	45,383	-
2003/04 SOI	51,805	46,048	46,048	46,048	-

<sup>10</sup> The overall number of people on remand has continued to be influenced by the rates of arrests, decisions of the judiciary and other factors such as the introduction of the Bail Act 2000.

## 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.

#### P OUTPUT 4.1 ESCORT SERVICES

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of inmates escorted to and from court in		
• Northland/Auckland (including Police escorts) <sup>11</sup> :	27,750	26,487-29,011
• remainder of New Zealand (excluding Police escorts) <sup>12</sup> :	8,240	7,835-8,648
<b>Quality</b>		
The number of escapes by inmates during escort to and from court to be no more than:	1	1

#### P OUTPUT 4.2 COURTROOM CUSTODIAL SUPERVISION SERVICES

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of inmates supervised in courts in		
• Northland/Auckland <sup>11</sup> :	7,800	5,944-6,558
• remainder of New Zealand <sup>12</sup> :	8,950	8,512-9,388
<b>Quality</b>		
The number of escapes by remand inmates and sentenced inmates while they are held in custody at court to be:	0	0

<sup>11</sup> Provided by the Prisoner Escort and Courtroom Custodial Services (PECCS).

<sup>12</sup> Provided by Public Prisons Service.

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**COSTS FOR OUTPUT CLASS 4 ESCORTS AND CUSTODIAL SUPERVISION**

FOR THE YEAR ENDING 30 JUNE 2005

Outputs in this class will be provided within the appropriated sum of \$7.116 million (inclusive of GST).

<b>Year</b>	<b>Cost (GST inclusive) (\$000)</b>	<b>Cost (GST exclusive) (\$000)</b>	<b>Total Revenue (GST exclusive) (\$000)</b>	<b>Revenue Crown (GST exclusive) (\$000)</b>	<b>Revenue Other (GST exclusive) (\$000)</b>
2004/05 SOI	7,116	6,326	6,326	6,326	-
2003/04 Supp Ests	6,792	6,038	6,038	6,038	-
2003/04 SOI	6,611	5,877	5,877	5,877	-

## 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 7,190 new inmates, representing an average prison population of 5,069 inmates. This requires the provision of approximately 6,632 beds and associated facilities at 20 sites to meet security, gender, age and other inmate needs 24 hours a day.

#### OUTCOME

The following outcome measures will be used to determine the effectiveness of the Department's activities in this output class to reduce re-offending with the percentage of sentenced offenders:

- not re-imprisoned within 12 months of their release from prison
- not re-imprisoned within 24 months of their release from prison
- conviction-free 12 months after the completion of their sentence/order
- conviction-free 24 months after the completion of their sentence/order.

**OUTPUT 5.1 MAXIMUM SECURITY MEN**

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The average number of maximum security sentenced inmates:	103	130
<b>Quality</b>		
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 to be:	100%	100%
<ul style="list-style-type: none"> <li>• 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</li> <li>• assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available</li> <li>• the inmate is placed into the appropriate work/programme</li> <li>• the inmate attends the allocated work/programme</li> <li>• all information is recorded and filed on the inmate's file</li> <li>• case management plans are reviewed as per the plan.</li> </ul>		
The number of breakouts per annum:	0	0
The number of non-returns from temporary release per annum:	0	0
The number of all other escapes per annum:	0	0

## P OUTPUT 5.2 MEDIUM SECURITY MEN

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The average number of medium security sentenced inmates:	2,697	2,329
<b>Quality</b>		
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 to be:	100%	100%
<ul style="list-style-type: none"> <li>• 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</li> <li>• assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available</li> <li>• the inmate is placed into the appropriate work/programme</li> <li>• the inmate attends the allocated work/programme</li> <li>• all information is recorded and filed on the inmate's file</li> <li>• case management plans are reviewed as per the plan.</li> </ul>		
The number of breakouts per annum to be no more than:	3	3
The number of non-returns from temporary release per annum to be no more than:	2	2
The number of all other escapes per annum to be no more than:	8	12



**OUTPUT 5.3 MINIMUM SECURITY MEN****P**

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The average number of minimum security sentenced inmates:	2,200	2,000
<b>Quality</b>		
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 to be:		
<ul style="list-style-type: none"> <li>• 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</li> <li>• assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available</li> <li>• the inmate is placed into the appropriate work/programme</li> <li>• the inmate attends the allocated work/programme</li> <li>• all information is recorded and filed on the inmate's file</li> <li>• case management plans are reviewed as per the plan.</li> </ul>	100%	100%
The number of breakouts per annum to be no more than:	1	1
The number of non-returns from temporary release per annum to be no more than:	12	14
The number of all other escapes per annum to be no more than:	8	12

## P OUTPUT 5.4 WOMEN

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The average number of maximum security sentenced inmates:	0	1
The average number of medium security sentenced inmates:	77	78
The average number of minimum security sentenced inmates:	193	151
<b>Quality</b>		
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 to be:	100%	100%
<ul style="list-style-type: none"> <li>• 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</li> <li>• assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available</li> <li>• the inmate is placed into the appropriate work/programme</li> <li>• the inmate attends the allocated work/programme</li> <li>• all information is recorded and filed on the inmate's file</li> <li>• case management plans are reviewed as per the plan.</li> </ul>		
The number of breakouts per annum to be no more than:	1	1
The number of non-returns from temporary release per annum to be no more than:	1	1
The number of all other escapes per annum to be no more than:	1	1

**OUTPUT 5.5 MALE YOUTH**



This output provides for the safe and secure confinement of males under 17 years of age and vulnerable 17- to 19-year-olds, either sentenced (except those classified maximum security) or remanded. It incorporates the costs of accommodation, security, sentence management (including assessment), food and medical care<sup>13</sup>.

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The average number of male sentenced and remand inmates held in youth units:	134	134
<b>Quality</b>		
The percentage of youth 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 to be:	100%	100%
<ul style="list-style-type: none"> <li>• 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</li> <li>• assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available</li> <li>• the inmate is placed into the appropriate work/programme</li> <li>• the inmate attends the allocated work/programme</li> <li>• all information is recorded and filed on the inmate's file</li> <li>• case management plans are reviewed as per the plan.</li> </ul>		
The number of breakouts per annum from youth units to be:	0	0
The number of all other escapes per annum from youth units to be:	0	0

<sup>13</sup> Consistent with the United Nations' Convention on the Rights of the Child, the Department will progressively locate all male offenders under the age of 18, as well as vulnerable 18- and 19-year-old male inmates, in specialist youth units as planned dedicated facilities become available (unless such placement is not in an offender's best interests).

## P OUTPUT 5.6 DRUG REDUCTION

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of general random programme drug screening tests carried out to be no less than:	2,585	2,470-2,700
The number of random drug screening tests carried out on inmates returning from temporary release to be no less than:	387	365-408
The number of random drug screening tests carried out on identified drug users to be no less than:	1,670	1,584-1,750
The number of other drug screening tests carried out to be no less than <sup>14</sup> :	4,215	3,991-4,442
<b>Quality</b>		
The annual average percentage of general random programme drug screening tests producing a positive result to be no more than:	16%	16%
The annual average percentage of random drug screening tests of inmates returning from temporary release producing a positive result:	to be reported <sup>15</sup>	to be reported
The annual average percentage of random drug screening tests of identified drug users producing a positive result:	to be reported <sup>15</sup>	to be reported

### COSTS FOR OUTPUT CLASS 5 CUSTODIAL SERVICES

#### FOR THE YEAR ENDING 30 JUNE 2005

Outputs in this class will be provided within the appropriated sum of \$329.050 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Department (GST exclusive) (\$000)
2004/05 S01	328,195	291,728	291,728	290,316	1,412
2003/04 Supp Ests	287,941	256,058	255,066	254,810	256
2003/04 S01	271,609	241,430	241,430	241,430	-

<sup>14</sup> Other drug screening tests are defined as those undertaken on either "reasonable grounds" or on a voluntary basis.

<sup>15</sup> The effectiveness of these two measures showing the average annual percentage of positive tests returned will be reported in both the Department's 2003/04 and 2004/05 Annual Reports. These two measures do not lend themselves to setting of performance standards to be achieved.

## OUTPUT CLASS 6

### INMATE EMPLOYMENT

Inmate Employment contributes to reducing re-offending by providing inmates and remandees with the opportunity to gain work experience and improve their work habits and skills. Inmates are also provided the opportunity to undertake training towards 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 is 4.3 million hours. It is expected that 40 percent of inmates who undertake employment will gain an externally recognised qualification.

The table below summarises employment and training opportunities offered, by sector.

Quantity (Hours)	Performance Standard	
	2004/05	2003/04
Land-based activities	671,160	785,000
Manufacturing activities	826,260	1,005,000
Internal service self-sufficiency activities	2,701,647	2,684,637
Release to work	56,400	41,500
Vocational training services	1,125	1,125
Community service	80,000	80,000

Quality (External Qualifications)	Performance Standard	
	2004/05	2003/04
Land-based activities	40%	40%
Manufacturing activities	40%	40%
Internal service self-sufficiency activities	40%	40%
Release to work	100%	100%
Vocational training services	40%	40%
Community services	100%	100%

## R OUTPUT 6.1 LAND-BASED ACTIVITIES

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of hours worked by inmates employed on land-based activities:	671,160	785,000 <sup>16</sup>
<b>Quality</b>		
The percentage of inmates undertaking inmate employment who receive an externally recognised qualification <sup>16</sup> :	40%	40%

## R OUTPUT 6.2 MANUFACTURING ACTIVITIES

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of hours worked by inmates employed on manufacturing activities:	826,260	1,005,000 <sup>16</sup>
<b>Quality</b>		
The percentage of inmates undertaking inmate employment who receive an externally recognised qualification <sup>17</sup> :	40%	40%

<sup>16</sup> Revised budget projections as amended through 2003/04 Supplementary Estimates.

<sup>17</sup> An externally recognised qualification is a NZQA unit standard, or, where no unit standard exists, one that is a recognised equivalent standard. A recognised equivalent standard is a document that attests that an inmate has passed either all components of a defined course of study, or a module or unit associated with the partial completion of that course of study.

**OUTPUT 6.3 INTERNAL SERVICE SELF-SUFFICIENCY ACTIVITIES****R**

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

- kitchens
- laundry and cleaning
- prison asset maintenance.

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of hours worked by inmates on internal self-sufficiency activities:	2,701,647	2,684,637 <sup>18</sup>
<b>Quality</b>		
The percentage of inmates undertaking inmate employment who receive an externally recognised qualification <sup>18</sup> :	40%	40%

**OUTPUT 6.4 RELEASE TO WORK****R**

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

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of hours worked by inmates on release-to-work activities:	56,400	41,500 <sup>18</sup>
<b>Quality</b>		
The percentage of inmates undertaking release-to-work activities who meet the eligibility criteria <sup>19</sup>	100%	100%

<sup>18</sup> Revised budget projections as amended through 2003/04 Supplementary Estimates.

<sup>19</sup> An externally recognised qualification is a NZQA unit standard, or, where no unit standard exists, one that is a recognised equivalent standard. A recognised equivalent standard is a document that attests that an inmate has passed either all components of a defined course of study, or a module or unit associated with the partial completion of that course of study.

## R OUTPUT 6.5 VOCATIONAL TRAINING SERVICES

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of inmates who commence training towards the achievement of an externally recognised qualification:	1,125	1,125
<b>Quality</b>		
The percentage of inmates undertaking training activities who receive an externally recognised qualification <sup>20</sup> :	40%	40%

## R OUTPUT 6.6 COMMUNITY SERVICES

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of hours worked by inmates on community services:	80,000	80,000
The average number of inmates engaged on community services:	160	160
<b>Quality</b>		
The percentage of inmates who have undertaken community services and have received a work certificate or record of achievement from the Department upon their release, to be no less than:	100%	100%

<sup>20</sup> An externally recognised qualification is a NZQA unit standard, or, where no unit standard exists, one that is a recognised equivalent standard. A recognised equivalent standard is a document that attests that an inmate has passed either all components of a defined course of study, or a module or unit associated with the partial completion of that course of study.



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**COSTS FOR OUTPUT CLASS 6: INMATE EMPLOYMENT****FOR THE YEAR ENDING 30 JUNE 2005**

Outputs in this class will be provided within the appropriated sum of \$39,263 million (inclusive of GST).

<b>Year</b>	<b>Cost (GST inclusive) (\$000)</b>	<b>Cost (GST exclusive) (\$000)</b>	<b>Total Revenue (GST exclusive) (\$000)</b>	<b>Revenue Crown (GST exclusive) (\$000)</b>	<b>Revenue Other (GST exclusive) (\$000)</b>
2004/05 S0I	39,263	34,901	34,901	11,403	23,498
2003/04 Supp Ests	43,007	38,228	38,228	11,230	26,998
2003/04 S0I	38,744	34,439	34,439	10,941	23,498

## OUTPUT CLASS 7

### REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

This output class provides:

- rehabilitative programmes to improve offenders' motivation to address the causes of their criminal offending. These programmes are designed to increase an offender's responsibility 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, responsibility 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.

#### OUTCOME

The following outcome measures will determine the effectiveness of the Department's initiatives to reduce re-offending. The measures provide information on the percentage of offenders who return to the Department's care and how much of a reduction in re-imprisonment and reconviction has occurred due to the Department's interventions.

The change in the re-imprisonment and reconviction rates for the treatment group receiving an intervention, compared to a matched, untreated group, is measured in two ways. An offender may be:

- re-imprisoned for an offence committed within 12 and 24 months following release from prison
- reconvicted for an offence committed within 12 and 24 months of completion of sentence, and given a sentence administered by the Department.

These outcomes are reported for programmes with sufficient volumes to permit meaningful measurement and relate to the following rehabilitative programmes and reintegrative services:

- sex offender treatment (for this, the outcome relates to 12, 24 and 60 months)
- violence prevention
- substance abuse programmes
- EQUIP (a youth offender programme)
- structured intervention programme
- Making our Drivers Safer (MODS)
- M-PRO (generic programme)
- Māori therapeutic programmes (for drugs and alcohol and violence)
- provision of psychological services.

The utility of the outcome measure is affected by several factors.

- The lead time between an offender receiving an intervention and when that offender could be deemed as not having re-offended is considered.
- A statistically valid sample size can take a long time to achieve when re-offending occurs at a low rate as is the case for child sex offenders.

- The nature of the intervention, if generic, relates more appropriately to the re-imprisonment index. Where a specific intervention occurs, then the focus needs to be on re-imprisonment or reconviction for that specific kind of offence.

These issues particularly relate to:

- sex offender treatment
- violence prevention
- Making Our Drivers Safer (MODS).

## OUTPUT 7.1 RESPONSIVITY/MOTIVATIONAL PROGRAMMES



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

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

	Performance Standard	
	2004/05	2003/04
<b>STRAIGHT THINKING PROGRAMMES</b>		
<b>Quantity</b>		
The number of hours offenders spend attending a Straight Thinking programme		
• Inmates:	69,300	69,300
• Community-based offenders:	82,880	82,880
The number of offenders who start a Straight Thinking programme		
• Inmates:	990	990
• Community-based offenders:	1,184	1,184
<b>Quality</b>		
The percentage of offenders who start and complete a Straight Thinking programme to be no less than		
• Inmates:	80%	80%
• Community-based offenders:	65%	65%
<b>TIKANGA MĀORI PROGRAMMES</b>		
<b>Quantity</b>		
The number of offenders who start a Tikanga Māori programme		
• Inmates:	943	943
• Community-based offenders:	523	523
<b>Quality</b>		
The percentage of offenders who start and complete a Tikanga Māori programme to be no less than		
• Inmates:	75%	75%
• Community-based offenders:	65%	65%

**R** OUTPUT 7.1 RESPONSIVITY/MOTIVATIONAL PROGRAMMES (continued)

	Performance Standard	
	2004/05	2003/04
<b>FAITH-BASED UNIT</b>		
<b>Quantity</b>		
The number of sentenced inmates in the Faith-based Unit to be up to:	60	60
<b>Quality</b>		
The minimum average occupancy rate:	95%	95%

**R** OUTPUT 7.2 CRIMINOGENIC PROGRAMMES

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

- EQUIP, a youth offender programme designed to develop cognitive behavioural reasoning for effective social interaction
- sex offender treatment programmes, for inmates convicted of sex offending against children. The programmes include special treatment units (at Kia Marama and Te Piriti)
- violence prevention programmes, including the delivery of group-based treatment to violent offenders in the male Violence Prevention Special Treatment Unit at Rimutaka Prison and the Pacific violence prevention programme
- substance abuse programmes to highly recidivist offenders with identified alcohol- and drug-related needs. The output includes the delivery of alcohol and drug treatment programmes within special treatment units
- generic criminogenic programmes, such as the Mixed Programme to Reduce Re-offending (M-PRO) and Structured Individual Programmes (SIP)
- Māori therapeutic programmes involving alcohol, drug, and violence prevention (including programmes delivered in Māori focus units and He Tete Kura Mana Tangata)
- Making Our Drivers Safer (MODS), a programme delivered within the community to reduce re-offending by addressing high-risk, recidivist traffic offenders.

	Performance Standard	
	2004/05	2003/04
<b>CRIMINOGENIC PROGRAMMES</b>		
<b>Quantity</b>		
The number of hours offenders spend attending a criminogenic programme		
• Inmates:	105,400	119,800 <sup>21</sup>
• Community-based offenders:	73,190	71,925
The number of offenders who start a criminogenic programme		
• Inmates:	700	700
• Community-based offenders:	783	783
<b>Quality</b>		
The percentage of offenders who start and complete a criminogenic programme		
• Inmates:	75%	75%
• Community-based offenders:	65%	65%

<sup>21</sup> The performance standard for the 2003/04 year was incorrectly stated in that year's SOI due to a typographical error. The correct target was 105,400.

**OUTPUT 7.2 CRIMINOGENIC PROGRAMMES (continued)**


	Performance Standard	
	2004/05	2003/04
<b>SEX OFFENDER TREATMENT PROGRAMMES</b>		
<b>Quantity</b>		
The number of hours inmates spend attending a programme at		
• Kia Marama:	12,500	12,500
• Te Piriti:	12,500	12,500
The number of inmates who start a programme at		
• Kia Marama:	40	40
• Te Piriti:	40	40
<b>Quality</b>		
The number of inmates who start and complete a programme at		
• Kia Marama to be no less than:	38	38
• Te Piriti to be no less than:	38	38
The percentage of programmes completed at Kia Marama and Te Piriti where all the components described in the service description were completed:	100%	100%
• norm building		
• construction of offence chain incorporating challenging cognitive distortion		
• sexual arousal reconditioning		
• victim impact and empathy		
• social skills, relationship skills and sex education		
• mood, anger and stress management and problem solving		
• relapse prevention		
• release planning.		
<b>VIOLENCE PREVENTION PROGRAMMES</b>		
<b>Quantity</b>		
The number of hours inmates spend attending a violence prevention programme at Rimutaka Prison:	7,700	7,700
The number of inmates who start a violence prevention programme at Rimutaka Prison:	30	30
<b>Quality</b>		
The number of violence prevention programmes completed at Rimutaka Prison:	3	3
The percentage of offenders who start and complete a violence prevention programme at Rimutaka Prison:	70%	70%
<b>EQUIP</b>		
<b>Quantity</b>		
The number of EQUIP programme hours provided to youth:	3,840	3,840
The number of youth who start an EQUIP programme:	134	134
<b>Quality</b>		
The percentage of sentenced youth in youth units who participate in an EQUIP programme:	98%	98%
<b>MĀORI THERAPEUTIC PROGRAMMES</b>		
<b>Quantity</b>		
The number of hours inmates spend attending Māori therapeutic programmes:	5,000 <sup>22</sup>	21,600
The number of inmates who start a Māori therapeutic programme:	100 <sup>22</sup>	300
<b>Quality</b>		
The percentage of inmates who start and complete Māori therapeutic programmes to be no less than:	75%	75%

<sup>22</sup> The Department has reviewed and modified the specification of the Māori Therapeutic Programme which will result in less inmates on each programme to enable a higher level of interaction and engagement and consequent quality levels. The revised programme is to be implemented during the 2004/05 financial year with one programme being run in each of the five Māori focus units, increasing to three programmes per year in subsequent financial years.

## R OUTPUT 7.3 OTHER REHABILITATIVE PROGRAMMES AND ACTIVITIES

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

This comprises:

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of hours offenders spend attending other rehabilitative programmes funded by Probation and Offender Services:	95,000	80,000-110,000
<b>Quality</b>		
The percentage of offenders who start and complete a rehabilitative programme funded by Probation and Offender Services to be no less than:	65%	65%

## R OUTPUT 7.4 EDUCATION AND TRAINING

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of hours inmates spend attending a module under the NCES:	236,827	236,560
<b>Quality</b>		
The percentage of inmates who start and complete a module under the NCES to be no less than:	80%	80%

## OUTPUT 7.5 REINTEGRATIVE SERVICES



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

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

	Performance Standard	
	2004/05	2003/04
<b>WHANAU LIAISON SERVICE</b>		
<b>Quantity</b>		
The number of offenders and their families/whanau receiving the whanau liaison service to be no less than:	257	257
<b>Quality</b>		
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%	100%
<b>REINTEGRATIVE SERVICES – as provided by the Public Prisons Service</b>		
<b>Quantity</b>		
The number of hours delivered by the Public Prison Service for reintegrative services for inmates:	38,200	38,200
<b>Quality</b>		
The percentage of reintegrative services provided by the Public Prisons Service in accordance with an inmate's plan to be no less than:	90%	90%
<b>REINTEGRATIVE SERVICES – as provided by the New Zealand Prisoners' Aid and Rehabilitation Society (NZPARS)</b>		
<b>Quantity</b>		
The number of support service hours to be provided to be no more than:	40,098 <sup>23</sup>	34,710 <sup>24</sup>
<b>Quality</b>		
The percentage of referrals (urgent or otherwise) to NZPARS per month acknowledged within five working days of receipt:	95%	95%
<b>REINTEGRATIVE SUPPORT SERVICES</b>		
<b>Quantity</b>		
The number of offenders and their families/whanau receiving the service to be no more than:	120	120
<b>Quality</b>		
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%

<sup>23</sup> Hours for 2004/05 have increased following renegotiation of the contract with the provider, NZPARS.

<sup>24</sup> Revised budget projections as amended through 2003/04 Supplementary Estimates.

## **R** OUTPUT 7.6 COMMUNITY RESIDENTIAL CENTRES AND REDUCING YOUTH OFFENDING PROGRAMMES

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

	Performance Standard	
	2004/05	2003/04
<b>COMMUNITY RESIDENTIAL CENTRES</b>		
<b>Quantity</b>		
The number of offenders directed to attend a community residential centre:	82	72-92
The number of psychologist hours provided to Montgomery House:	740	740
<b>Quality</b>		
The percentage of offenders who successfully undertake their community residential centre order to be no less than:	60%	60%
The percentage of assessments for Montgomery House programmes for which all of the information elements were assessed to be:	100%	100%
The percentage of post-programme assessments for Montgomery House programmes completed by a psychologist to be:	100%	100%
The percentage of clinical monitoring reports for Montgomery House programmes that adhere to the standards to be:	100%	100%
The percentage of clinical monitoring reports for Montgomery House programmes provided within agreed timeframes to be:	100%	100%
<b>REDUCING YOUTH OFFENDING PROGRAMMES</b>		
<b>Quantity</b>		
The number of youth who are directed to attend a Reducing Youth Offending programme:	130	100-130
<b>Quality</b>		
The percentage of youth who successfully undertake a Reducing Youth Offending programme order to be no less than:	70%	70%



**OUTPUT 7.7 PROVISION OF PSYCHOLOGICAL SERVICES**



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

	Performance Standard	
	2004/05	2003/04
<b>PSYCHOLOGICAL SERVICES</b>		
<b>Quantity</b>		
The number of psychological consultation hours provided to the		
• Public Prisons Service:	9,199 <sup>25</sup>	9,834
• Community Probation Service:	11,288 <sup>25</sup>	12,000
The number of psychological reports provided to the		
• Public Prisons Service:	779 <sup>25</sup>	840-900
• Community Probation Service:	916 <sup>25</sup>	1,020-1,060
<b>Quality</b>		
The percentage of psychological consultations which meet the following standards to be no less than:	95%	95%
• a structured offender assessment interview is conducted		
• confidentiality and consent issues are explained		
• relevant history is obtained		
• assessment measures are used (as appropriate)		
• problems are presented clearly formulated		
• treatment goals are specified (addressing assessed problems)		
• appropriate interventions are used (based on current literature)		
• adequate case notes are recorded for all sessions		
• records are kept of ongoing measures or observations to monitor interventions		
• assessment and treatment reports are completed and delivered.		
The percentage of psychological reports which meet the following standards to be no less than:	95%	95%
• 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		
• complies with the Psychologists' Code of Ethics.		

<sup>25</sup> The quantity measures have changed to reflect the funding levels agreed to on the basis of the standard hours model as negotiated in the Department's Output Pricing Review.

**R** OUTPUT 7.7 PROVISION OF PSYCHOLOGICAL SERVICES (continued)**BICULTURAL THERAPY MODEL****Quantity**

The number of consultation hours provided by Māori service providers under the Bicultural Therapy Model:	4,000	4,000
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**Quality**

The percentage of Māori service providers who comply with the following standards when delivering consultation hours under the Bicultural Therapy Model to be:	100%	100%
<ul style="list-style-type: none"> <li>all referrals follow locally agreed referral processes</li> <li>provider has received induction from the Psychological Service</li> <li>provider has signed a contract for services</li> <li>treatment provided is centred around Māori values and beliefs using the principles of kaupapa Māori and nga tikanga Māori</li> <li>provider is mandated by the relevant Oversight Committee, comprising representatives of local iwi and the Psychological Service</li> <li>a report is provided to the Psychological Service at the end of each referral.</li> </ul>		

**R** OUTPUT 7.8 CHAPLAINCY SERVICES

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of full-time equivalent chaplains in prisons:	26	26
<b>Quality</b>		
The percentage of chaplaincy service reports provided to the Public Prisons Service within the agreed timeframes:	100%	100%

**COSTS FOR OUTPUT CLASS 7 REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES FOR THE YEAR ENDING 30 JUNE 2005**

Outputs in this class will be provided within the appropriated sum of \$55.597 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Departmental (GST exclusive) (\$000)
2004/05 S01	55,597	49,419	49,419	47,923	1,496
2003/04 Supp Ests	53,840	47,858	47,858	46,362	1,496
2003/04 S01	49,124	43,666	43,666	42,170	1,496

## 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 8.1 SERVICES TO THE NEW ZEALAND PAROLE BOARD

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of hearings by the New Zealand Parole Board to be:	8,000	8,000 <sup>26</sup>
<b>Quality</b>		
The percentage of offenders or victims notified of an impending hearing at least 10 working days before a hearing:	95%	90%
The percentage of offenders or victims notified of a Board decision within 10 working days after a hearing:	95%	90%
The percentage of papers for home detention (deferred sentences) hearings provided to the Board at least five working days before a hearing:	95%	90%
The percentage of all other papers for each hearing provided to the Board at least 10 working days before a hearing:	95%	90%
The scheduling of cases to be heard by the Board to be within the timeframe specified in the Parole Act 2002:	100%	100%

#### COSTS FOR OUTPUT CLASS 8: SERVICES TO THE NEW ZEALAND PAROLE BOARD FOR THE YEAR ENDING 30 JUNE 2005

The output in this class will be provided within the appropriated sum of \$6.604 million (inclusive of GST).

Year	Cost (GST) inclusive (\$000)	Cost (GST) exclusive (\$000)	Total Revenue (GST) exclusive (\$000)	Revenue Crown (GST) exclusive (\$000)	Revenue Other (GST) exclusive (\$000)
2004/05 SOI	6,604	5,870	5,870	5,870	-
2003/04 Supp Ests	6,160	5,476	5,476	5,476	-
2003/04 SOI	4,818	4,283	4,283	4,283	-

<sup>26</sup> Revised budget projections as amended through 2003/04 Supplementary Estimates.

## 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 9.1 POLICY ADVICE AND DEVELOPMENT SERVICES

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
Advice will be provided according to a work programme agreed with the Minister of Corrections:	100%	100%
<b>Quality</b>		
The Minister of Corrections will expect advice to be delivered according to the quality standards as outlined below:	100%	100%
<ul style="list-style-type: none"> <li>• the aims of the paper have been clearly stated and they answer the questions that have been set</li> <li>• the assumptions behind the advice are explicit, and the argument is logical and supported by the facts</li> <li>• the facts in the paper are accurate and all material facts have been included</li> <li>• an adequate range of options has been presented and each has been assessed for benefits, costs and consequences to the Government and the community</li> <li>• there is evidence of adequate consultation with interested parties and possible objections to proposals have been identified</li> <li>• the problems of implementation, technical feasibility, timing and consistency with other policies have been considered</li> <li>• 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.</li> </ul>		
<b>Timeliness</b>		
Policy advice purchased will be delivered within the specific reporting deadlines agreed with the Minister of Corrections:	100%	100%

**OUTPUT 9.2 MINISTERIAL SERVICING**

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of responses to be prepared to Ministerial correspondence is estimated to be:	600	600
The number of responses to Parliamentary questions is estimated to be:	700	500
<b>Quality</b>		
The percentage of replies returned for redrafting not to exceed:	10%	10%
All responses signed out by either a general manager or, in his or her absence, an appropriate manager to be:	100%	100%
<b>Timeliness</b>		
The percentage of responses to Ministerial correspondence completed within the timeframes agreed with the Minister's Office to be no less than:	90%	90%
The percentage of responses to Parliamentary questions completed within the timeframes set by the Minister's office to be:	100%	100%

**OUTPUT 9.3 PROVISION OF PSYCHOLOGICAL AND OTHER RESEARCH**

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

	Performance Standard	
	2004/05	2003/04
<b>Quality</b>		
The percentage of research and evaluation delivered to agreed project milestones:	100%	100%
The percentage of psychological and other research that will be provided to the following criteria contained in the Psychological Service Manual:	100%	100%
<ul style="list-style-type: none"> <li>• the hypothesis/aim of the research is clearly stated; capable of being tested; uses minimal variables; is resourced appropriately</li> <li>• data collection is to meet appropriate standards of research design, and appropriate analysis tools are to be used</li> <li>• the results are accurately and clearly described</li> <li>• there is concise and thorough explanation of the implications of the results for the issues investigated</li> <li>• the research should be peer reviewed both internally and externally</li> <li>• the report is written in a format appropriate to the audience</li> <li>• the aims of the paper are accurate and all material facts have been included</li> <li>• the material is free of spelling or grammatical errors and an executive summary is provided if the report exceeds five pages</li> <li>• when possible the material is published within internationally recognised journals.</li> </ul>		

**COSTS FOR OUTPUT CLASS 9: POLICY ADVICE AND DEVELOPMENT**  
**FOR THE YEAR ENDING 30 JUNE 2005**

Outputs in this class will be provided within the appropriated sum of \$5.027 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Other (GST exclusive) (\$000)
2004/05 S01	5,027	4,468	4,468	4,468	-
2003/04 Supp Ests	4,579	4,070	4,070	4,070	-
2003/04 S01	4,655	4,138	4,138	4,138	-

## 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 10.1 PURCHASE AND MONITORING OF SERVICE DELIVERY

P

This output involves the development, management and monitoring of:

- Internal Purchase Agreements with the five internal providers of corrections services (Public Prisons Service, Community Probation Service, Psychological Service, Intervention Services and Corrections Inmate Employment)
- services purchased from external providers, in particular with GEO Australia Pty Ltd and NZPARS
- interagency agreements, in particular the agreements with Child, Youth and Family and the Ministry of Justice, and memoranda of understanding with the New Zealand Police, Ministry of Social Development, ACC, Ministry of Health, Inland Revenue Department, Ministry of Housing, New Zealand Parole Board, New Zealand Council of Victim Support Groups, New Zealand Housing Corporation and Career Services.

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

	Performance Standard	
	2004/05	2003/04
<b>INTERAGENCY AGREEMENTS</b>		
<b>Quantity</b>		
The number of interagency agreements managed by Corporate Management:	12	12
<b>Quality</b>		
The percentage of interagency agreements managed in accordance with the review and reporting provisions to be:	100%	100%
<b>Timeliness</b>		
The percentage of interagency agreements that are renegotiated and/or reviewed by the date specified to be:	100%	100%

**P** OUTPUT 10.1 PURCHASE AND MONITORING OF SERVICE DELIVERY (continued)

	Performance Standard	
	2004/05	2003/04
<b>INTERNAL PURCHASE AGREEMENTS AND EXTERNAL CONTRACTORS</b>		
<b>Quantity</b>		
The number of Internal Purchase Agreements with internal providers:	5	4
The number of contracts for services with external providers negotiated and managed by Corporate Management:	3	3
<b>Quality</b>		
The percentage of Internal Purchase Agreements and contracts for services with external providers that meet the following standards to be:	100%	100%
<ul style="list-style-type: none"> <li>• services are clearly described</li> <li>• performance measures and standards are specified</li> <li>• price and payment regime (including incentives as appropriate)</li> <li>• format and dates of reporting requirements are specified.</li> </ul>		
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%
<ul style="list-style-type: none"> <li>• the procedures are being followed</li> <li>• service delivery and performance measures are as specified</li> <li>• the quality of service delivery and performance is as specified</li> <li>• the manner, timing and form of reporting are as laid down.</li> </ul>		
<b>COMMUNITY FUNDING CONTRACTS</b>		
<b>Quantity</b>		
The number of community funding contracts to be negotiated with external providers:	110	100-120
<b>Quality</b>		
The percentage of community funding contracts with a value of \$20,000 (or over) that have performance measures and standards to the following criteria to be:	100%	100%
<ul style="list-style-type: none"> <li>• the correct parties to the contract are specifically identified and the parties have legal power to contract and are a legal entity</li> <li>• the term of the contract has been identified</li> <li>• the price is identified in the schedule of the contract</li> <li>• the payment regime is specified</li> <li>• the format and dates of reporting requirements are stated</li> <li>• the mechanism for resolving disputes is stated</li> <li>• the programme is clearly described (including programme aims, content and delivery process)</li> <li>• the contract is legal.</li> </ul>		
<b>Timeliness</b>		
The percentage of community funding contracts with values of \$20,000 (or over) agreed and in place by the agreed date to be no less than:	95%	95%



**OUTPUT 10.1 PURCHASE AND MONITORING OF SERVICE DELIVERY** (continued)**P**

	Performance Standard	
	2004/05	2003/04
<b>CONTRACTS WITH COMMUNITY RESIDENTIAL CENTRES</b>		
<b>Quantity</b>		
The number of contracts between the Probation and Offender Services and community residential centres:	3	3
<b>Quality</b>		
The percentage of contracts for services with community residential centres that meet the following standards:	100%	100%
<ul style="list-style-type: none"> <li>• services are clearly described</li> <li>• performance measures and standards are specified</li> <li>• price and payment regime is specified (including incentives as appropriate)</li> <li>• format and dates of reporting requirements are specified.</li> </ul>		
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%
<ul style="list-style-type: none"> <li>• the procedures are being followed</li> <li>• service delivery and performance measures are as specified</li> <li>• the quality of service delivery and performance is as specified</li> <li>• the manner, timing and form of reporting are as laid down.</li> </ul>		

**OUTPUT 10.2 PROVISION OF INSPECTORATE SERVICES****P**

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of inspections in the inspectorate work programme as approved by the Assurance Board		
<ul style="list-style-type: none"> <li>• Routine visits:</li> <li>• Special investigations:</li> </ul>	80-120 10-30	80-120 10-30
<b>Quality</b>		
The percentage of inspections that are carried out to the following criteria to be:	100%	100%
<ul style="list-style-type: none"> <li>• to a quality which satisfies the Assurance Board</li> <li>• according to the guidelines and standards of the New Zealand Institute of Internal Auditors</li> </ul>		
<b>Timeliness</b>		
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%	100%

## P OUTPUT 10.3 PROVISION OF NATIONAL SYSTEMS SERVICES

This output involves:

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

	Performance Standard	
	2004/05	2003/04
<b>Quantity</b>		
The number of information transactions with external agencies:	9,000	8,000-10,000
<b>Quality</b>		
The percentage accuracy of the statutory appointment and delegations registers affecting the operational management of inmates:	100%	100%
<b>Timeliness</b>		
The percentage of national systems transactions completed within seven working days of application being received:	100%	100%
The percentage of applications for victims' registration processed within 10 working days of being received:	100%	100%
The percentage of personal records established for inmates imprisoned for six months or more within 10 working days of reception:	100%	100%

### COSTS FOR OUTPUT CLASS 10: SERVICE PURCHASE AND MONITORING

FOR THE YEAR ENDING 30 JUNE 2005

Outputs in this class will be provided within the appropriated sum of \$4.409 million (inclusive of GST).

Year	Cost (GST inclusive) (\$000)	Cost (GST exclusive) (\$000)	Total Revenue (GST exclusive) (\$000)	Revenue Crown (GST exclusive) (\$000)	Revenue Other (GST exclusive) (\$000)
2004/05 SOI	4,409	3,919	3,919	3,919	-
2003/04 Supp Ests	4,283	3,810	3,778	3,778	-
2003/04 SOI	3,960	3,520	3,520	3,520	-