



DEPARTMENT OF  
**CORRECTIONS**  
ARA POUTAMA AOTEAROA



# Annual Report

1 July 2006 - 30 June 2007



# ANNUAL REPORT

1 JULY 2006 - 30 JUNE 2007



## VISION

TO FOCUS ON OUR PRIMARY OUTCOME OF  
SAFER COMMUNITIES BY PROTECTING THE  
PUBLIC AND REDUCING RE-OFFENDING  
THROUGH PEOPLE – PERFORMANCE – QUALITY  
AND AS A RESULT HAVE THE NEW ZEALAND  
PUBLIC'S TRUST AND CONFIDENCE.

## KAUPAPA

KOTAHI ANO TE KAUPAPA: KO TE ORANGA O TE IWI

THERE IS ONLY ONE PURPOSE (TO OUR WORK): IT IS THE WELLNESS AND WELLBEING OF THE PEOPLE.



## ANNUAL REPORT

1 JULY 2006 - 30 JUNE 2007

Presented to the House of Representatives Pursuant  
to Section 44 of the Public Finance Act 1989



## INTRODUCTION

The Annual Report informs Parliament and the public about the Department of Corrections and its achievements against the outcomes, goals, and initiatives outlined in the 2006/07 Statement of Intent. This includes progress towards achieving the wider justice sector outcome of a 'safe and just society', and the Department's end outcomes of 'protecting the public' and 'reducing re-offending'. It also outlines the progress made towards revising the Department's outcome framework in line with that being developed for the justice sector.

Part B contains the Department of Corrections' annual financial statements and statement of service performance for the 2006/07 financial year prepared in accordance with the Public Finance Act 1989. The statement of service performance describes the output classes and outputs delivered during the year against the performance measures and standards associated with the outputs as set out in the Statement of Intent for 2006/07.

The Appendices contain annual reports required under other legislation. These cover reports required under section 190 of the Corrections Act 2004 and under section 15A of the Parole Act 2002.



## PART A STRATEGIC DIRECTION



## **PART A** **STRATEGIC DIRECTION**

### CONTENTS

❖	CHIEF EXECUTIVE'S OVERVIEW	5
❖	WHAT CORRECTIONS DOES	6
❖	CORRECTIONS' CONTRIBUTION TO OUTCOMES	8
❖	OUTCOME – PROTECTING THE PUBLIC	9
❖	OUTCOME – REDUCING RE-OFFENDING	15
❖	STRATEGIC CHALLENGES AND RISKS FACING CORRECTIONS	28
❖	CORRECTIONS' CAPABILITY	31
❖	CAPITAL EXPENDITURE	38
❖	DEMONSTRATING COST-EFFECTIVENESS	39



## CHIEF EXECUTIVE'S OVERVIEW

## CHIEF EXECUTIVE'S OVERVIEW

The Department of Corrections plays a vital role for New Zealand, contributing to safer communities by protecting the public and reducing re-offending. This past year has been a challenging one for the Department.



During 2006/07, Corrections was under significant public scrutiny, particularly in relation to prisoner transportation with the violent death of a 17 year-old remand prisoner, management of parolees as a result of a second killing by a life parolee, and allegations of prison staff corruption. In recognition of the seriousness of these events the Department is implementing improvements to minimise the risk of similar events occurring again. It has undertaken a major review of the transportation of prisoners in tandem with the Ombudsman's Own Motion Investigation into Prisoner Transportation. The processes and procedures relating to high-risk prisoners released on parole were clarified and tightened, including taking action more quickly where high-risk parolees fail to meet the conditions of their parole. Similarly, immediate steps were taken and are continuing to investigate claims of staff corruption and to take action where these are found to be valid.

Despite these pressures the Department managed the largest number of community-based offenders and prisoners in its history, both sitting at higher than forecast numbers which has stretched our staff and facilities. In anticipation of the implementation of the new Effective Interventions package, Corrections staff put many long hours into designing and preparing draft legislation, business processes, systems, policies and procedures, and recruiting and training staff to successfully implement the changes. Effective Interventions strengthens and increases community-based sentences and orders and will significantly impact the way that we work in the community.

Two new regional prisons, Auckland Region Women's Corrections Facility and Otago Corrections Facility, received their first prisoners during the year. Both new

facilities were constructed and commissioned on time and to very high construction standards. The Spring Hill Corrections Facility in North Waikato was completed to plan and will receive its first prisoners in November 2007.

The first year of the Department's new Prisoner Employment Strategy was successfully implemented with the February 2007 target of 80 prisoners on Release to Work achieved three months ahead of schedule and an additional 416 prisoners in employment or training at the end of June 2007.

A shared services organisational structure model commenced from 1 July 2007 following a major review of the way Head Office and field support services are structured. This structure will improve integration, efficiency and effectiveness across the Department. A culture change project, planned in 2006/07 for implementation in 2007/08, will focus on enhancing and improving the existing culture.

During the year, we reviewed the outcomes the Department contributes to and that link to the overall outcomes for the justice sector. Work also commenced on the development of the Department's 2008–2013 Strategic Business Plan. This plan will confirm the outcomes Corrections contributes to, and it will outline strategies that it will implement to achieve these outcomes.

Thanks to the efforts, dedication, loyalty and integrity of the vast majority of our staff, the Department met these challenges and is well placed to meet the challenges ahead.

**Barry Matthews**

Chief Executive

## WHAT CORRECTIONS DOES

The Department of Corrections administers the New Zealand corrections system to improve public safety and contribute to the maintenance of a just society.

### The Department's vision is:

To focus on our primary outcome of **safer communities** by **protecting the public** and **reducing re-offending** through **people – performance – quality** and as a result have the New Zealand public's trust and confidence.

### The Department's kaupapa is:

Kotahi ano te kaupapa: ko te oranga o te iwi.

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

### The Department of Corrections:

- manages prisoners on community-based sentences and orders
- manages offenders on remand and offenders sentenced to custodial sentences across New Zealand
- provides rehabilitation programmes to help offenders address and resolve the causes of their offending
- provides reintegrative programmes and services to help offenders reintegrate back into society
- manages a number of internal services, employment and training activities that provide offenders with the chance to gain employment skills and experience in industries that may provide them with employment opportunities when they complete their sentence
- provides courts with detailed reports and information on offenders to assist judges in making sentencing decisions, and provides administrative services to the New Zealand Parole Board, as well as information to help them decide whether prisoners should be released, when and under what conditions

- takes enforcement action when offenders serving a sentence or order in the community do not comply with the conditions of that sentence or order
- notifies victims of crime, who are referred by the New Zealand Police, of specific events listed in the Victims Rights Act 2002.

Sections 5 and 6 of the Corrections Act 2004 set out in more detail the purpose of the corrections system and principles under which the Department must operate.

## HOW CORRECTIONS MANAGES OFFENDERS

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

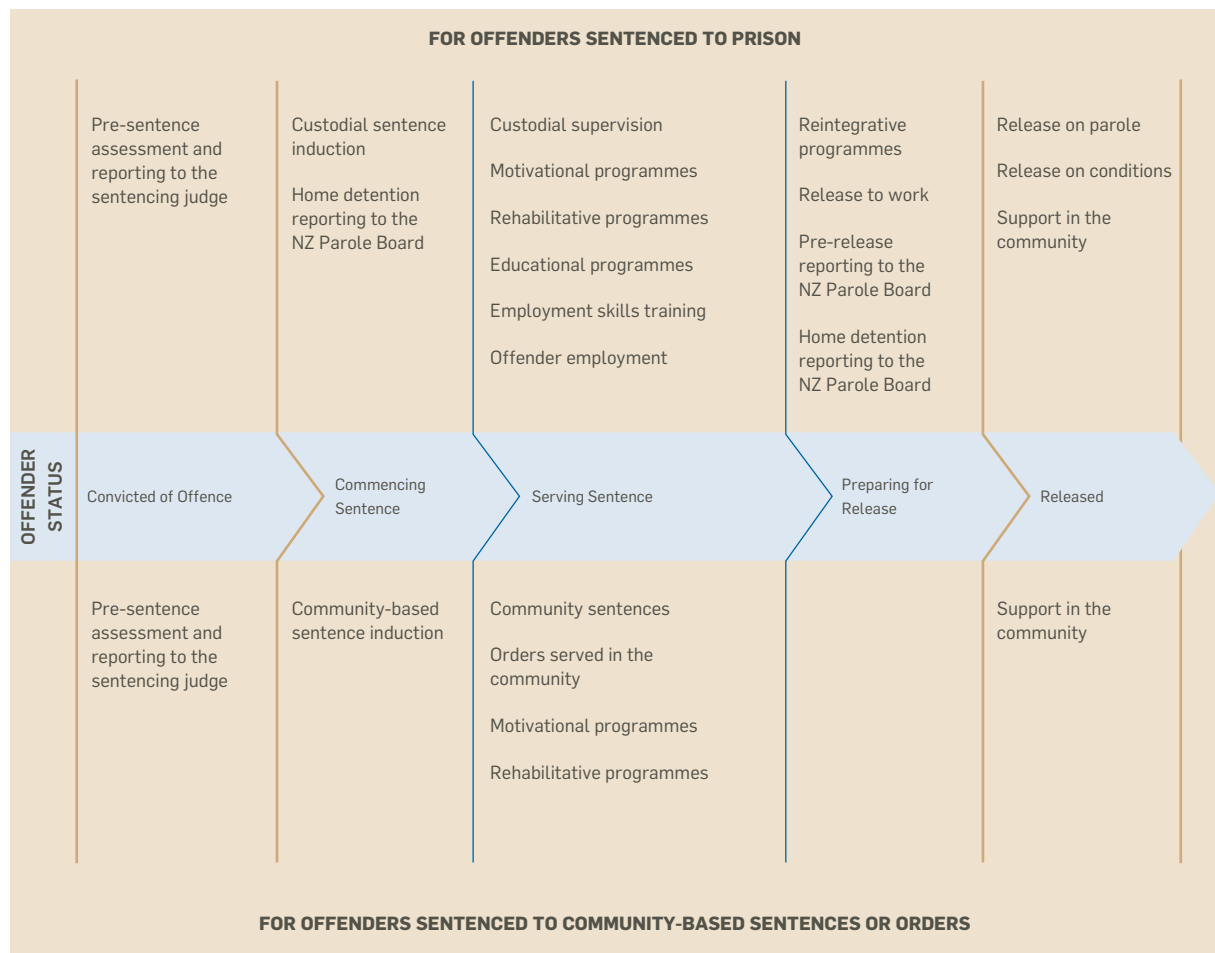
Once an offender is convicted of an offence/s in Court, the Department provides advice to judges to assist in the sentencing of the offender. The assessment work done and information collected at this stage helps guide in the management of the sentence handed down.

After an offender has been sentenced, there are processes to guide how they are managed during their sentence and order so they are managed appropriately, and are provided access to opportunities which should assist their rehabilitation and reintegration into the community after their sentence or order is completed. Efforts are made to ensure cultural needs are recognised and contact with family/whānau is encouraged to provide an environment which best facilitates rehabilitation and reintegration.

Rehabilitation programmes are targeted towards offenders most likely to benefit from the programmes. This means targeting those who are otherwise likely to re-offend and who have expressed a willingness to address the factors that led to their offending.

Reintegration services are targeted at those leaving prison, to help ensure they have their basic needs met (accommodation, employment etc). Corrections also work with offenders who are on sentences and orders in the community to address similar needs to ensure sentence conditions are complied with, in order to reduce the risk of re-offending.

## OFFENDER MANAGEMENT



More details of how the Department manages offenders are provided on page 13 of the Department's 2007/08 Statement of Intent. This is available on the Department's website, [www.corrections.govt.nz](http://www.corrections.govt.nz).

Legislative changes to introduce new community-based sentences passed in July 2007 will see Home Detention, Community Detention and Intensive Supervision added to the range of community-based sentences, and Post-Detention Conditions added to community-based orders managed by the Department with effect from 1 October 2007.

## CORRECTIONS' CONTRIBUTION TO OUTCOMES

The 2003–2008 Strategic Business Plan sets out the high level direction for the Department focusing on high level outcomes and strategies to achieve these outcomes. Corrections plays an important role in the justice sector by contributing to safer communities through protecting the public and reducing re-offending. The 2003–2008 Strategic Business Plan is on the Department's website at [www.corrections.govt.nz/public/pdf/publications/stratbusplan.pdf](http://www.corrections.govt.nz/public/pdf/publications/stratbusplan.pdf).

During 2006/07, the Department began developing its 2008–2013 Strategic Business Plan. A significant part of the initial work has included a review of the outcomes

the Department contributes to and that link to the overall outcomes for the justice sector. The diagram below outlines the revised outcomes framework, and illustrates how the Department's outcomes link to the outcomes of the wider justice sector. Work also began on identifying priority areas and strategies to deliver on these revised outcomes.

The following sections outline the work Corrections undertook in 2006/07, who it worked with, and what progress was made against each of its current end outcomes of 'protecting the public' and 'reducing re-offending'.

JUSTICE SECTOR END OUTCOMES	A safe and just society									
	Safer communities							Civil and democratic rights and obligations enjoyed		
JUSTICE SECTOR INTERMEDIATE OUTCOMES	Impact of crime reduced		Crime reduced			Offenders held to account		Trusted justice system		
CORRECTIONS END OUTCOMES	Victims of crime are supported	Re-offending is reduced			Sentence options are used effectively	Integrity of sentences and orders upheld		Offenders are managed safely and humanely		
CORRECTIONS INTERMEDIATE OUTCOMES	Eligible victims notified	Offenders acquire employment-relevant skills and qualifications	Offenders' rehabilitation needs are addressed	Offenders' re-integrative needs are addressed	Judiciary, and NZPB make informed decisions	Offenders complete the correct imposed sentence or order	Offenders comply with the specific restrictions and requirements of the custody regime, sentence or order	Offenders are not harmed	Offenders are treated fairly	Offenders' legitimate health, physical, cultural, spiritual and social needs are met

## OUTCOME – PROTECTING THE PUBLIC

The Department manages people who have committed crimes against society and have received a community-based sentence or order and those who require imprisonment. In many cases, these people exhibit volatile and often violent behaviour, and many are not motivated to comply with the sentences and orders imposed on them by the courts and the New Zealand Parole Board.

One of Corrections' primary roles is to protect the public – in addition to the wider community, the 'public' includes Corrections' staff, prison visitors, and family/whānau of offenders. The Department does this by:

- providing the judiciary and the New Zealand Parole Board with information to help them make decisions about the most effective use of sentence options
- ensuring that offenders comply with sentences and orders imposed on them
- ensuring that offenders are managed safely and humanely
- providing a safe environment for staff and the public
- supporting victims of crime.

### PROVISION OF INFORMATION TO COURTS AND THE PAROLE BOARD

The Department helps the judiciary to make decisions about effective sentences for offenders. Effective sentences are those that adequately denounce the crime, provide protection for the public, deter future crime, and permit rehabilitation of the offender. To assist in sentence options being used effectively, Corrections provides courts

with pre-sentence reports and, upon request, reparation reports. It also provides the New Zealand Parole Board with a wide range of reports providing advice on the suitability of offenders for Home Detention and release on Parole. After 1 October 2007, decisions on Home Detention will be made by the judiciary not the New Zealand Parole Board.

Demand for reports to the judiciary and the Parole Board was significantly higher than forecast in 2006/07 due to a marked increase in recall hearings, parole hearings and back-end Home Detention hearings. Details on the quantity, quality and timeliness of information to the judiciary and the Parole Board are provided under Output Class 1 – Information Services, on page 70.

### SENTENCES AND ORDERS ARE COMPLIED WITH

A fundamental role of the Department is to ensure that an offender complies with the sentence or order imposed on them, or take enforcement action if they do not. Given the restrictions on an offender's freedom that sentences or orders entail, it is unsurprising that offenders often lack the motivation to comply with their sentence or order. Corrections is responsible for ensuring that offenders do not evade the constraints and requirements of the sentences and orders they receive, be those sentences community-based or custodial in nature.

### Community-based Sentences and Orders, and Services

Corrections is responsible for administering community-based sentences and orders, including Supervision and Community Work sentences. It also manages offenders on Home Detention, on Parole, Release on Conditions from prison, and those under Extended Supervision Orders.

Probation Officers manage offenders on community-based sentences and orders and have a number of roles. As well as having a key role in bringing about, and encouraging positive changes in offenders' lives, Probation Officers motivate offenders to comply with the conditions of their sentence or order and ensuring that they do so. However when conditions are breached, enforcement action is taken, such as prosecuting for 'breach' of conditions of the sentence. For Parole and Home Detention orders, recall applications are prepared and provided to the New Zealand Parole Board to return the offender to prison.

The number of community-based sentences imposed during 2006/07 was greater than expected. The majority of community-based sentences imposed are influenced by rates of arrest, court clearance rates, judicial decisions, and decisions made by the New Zealand Parole Board. Although the overall number of sentences imposed was above forecasted levels, compliance by offenders remained high. Details on quantities and performance relating to the delivery of community-based sentences and orders are provided under Output Class 2 – Community-based Sentences and Orders, on page 78.

The introduction of a suite of community-based sentences and orders from 1 October 2007 is expected to result in further increases in the number of offenders receiving community-based sentences. In 2006/07 a significant amount of work was done on the detailed design of how

the new sentences and orders will be managed and key systems and procedures needed. This work will be completed in time for implementation on 1 October 2007. Additional recruitment began for Probation Officers and other operational staff to ensure that the Department is well placed to meet the demands of the introduction of the new sentences and orders. An overview of Effective Interventions is provided in the case study below.

The Department also reviewed the use of Home Detention, including the differences in its use for Māori and Pacific peoples, as part of the refinement of the Effective Interventions package. To further increase compliance with the conditions of Home Detention and other community-based sentences and orders, trials were completed of two new electronic monitoring technologies – global positioning system (GPS) technology, and voice verification technology (VVT). Phase II of the trials, which were live trials using offenders, focused on the use of GPS technology to monitor home detainees and high-risk offenders, and the possible use of VVT to monitor offenders serving the proposed new sentence of Community Detention.

A joint working group with Local Government New Zealand resulted in the completion and distribution to local government agencies of the 'Keeping Communities Safe' Booklet, which explains how people in prison are released and managed in our communities.

## EFFECTIVE INTERVENTIONS

The Effective Interventions package was announced by the Government in August 2006 and addresses a series of measures to improve the criminal justice system and make New Zealand a safer and fairer society. It is about staying tough but being smarter about crime and imprisonment.

The Effective Interventions package includes:

- a package of initiatives to reduce youth offending
- amendments to the Bail Act 2000 to promote greater consistency in decision-making
- expanding the availability of restorative justice processes
- introducing a new tier of community sentences to increase the number of sentencing options available to judges

- provide a hierarchy of options and allow for more combinations of options to address requirements of particular offenders
- introducing home detention as a sentence in its own right for lower-risk offenders
- setting up two new drug and alcohol treatment units in prisons and two further general purpose special treatment units to provide intensive rehabilitative programmes in prisons
- establishing a Sentencing Council to produce sentencing guidelines
- reforming parole to better align sentences imposed with sentences served.

Legislative changes to implement the Effective Interventions package were passed in July 2007 with most of the changes due to come into effect from 1 October 2007.

## Prison Services

Sentences of imprisonment are the most severe sanction of the courts. Corrections is responsible for confining prisoners so they serve the specific term of imprisonment set by the sentencing judge and that restrictions associated with that imprisonment are complied with. Corrections works to ensure that prisoners cannot commit or initiate offences from within prison such as violence, drug use or smuggling of contraband (including drugs and cell phones).

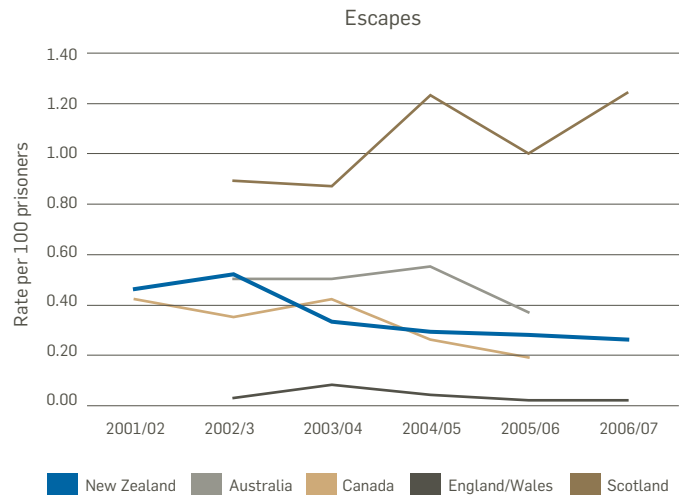
## Prison Security

The Department is continuously working to improve the security of its prisons. Staff are trained to recognise early warning signs which may signal the intention to escape. Physical security is constantly reviewed, maintained and improved. This includes constructing perimeter fences, installing detection and other surveillance systems, and introducing single points-of-entry into prisons. A stable social environment within prisons helps to motivate prisoners to comply with the restrictions of their sentence.

In 2006/07 Corrections increased prison security in a number of ways. It revised and implemented a new security classification system for sentenced prisoners. In conjunction with this system, it developed and validated a responsibility-based approach to prisoner management based on progressive systems of incentives and sanctions. Legislative changes required to implement the responsibility-based approach came into effect in July 2007.

The Department commenced work on the Crime Prevention Information Capability model. Recruitment commenced in 2006 alongside the implementation of an intelligence database. This model will improve the collection and analysis of information to increase crime prevention within prisons. Structural and policy changes, staff recruitment and training to support the model were completed in July 2007. The Department also worked on a project to introduce the appropriate systems to monitor prisoners' telephone calls. A system has been purchased and implementation is due to be completed in 2007/08.

Improvements in security have seen a decline in the rate of escapes over the past five years. As illustrated in the following table, the rate of escapes compares favourably with other jurisdictions.



## Reducing Substance Abuse in Prisons

Minimising drug and alcohol use of prisoners is critical to well-functioning prisons. Corrections uses its Strategy to Reduce Alcohol and Drug Use by Offenders 2005–2008 ([www.corrections.govt.nz/public/pdf/strategy-reduce-drug-and-alcohol/doc-strategy-to-reduce.pdf](http://www.corrections.govt.nz/public/pdf/strategy-reduce-drug-and-alcohol/doc-strategy-to-reduce.pdf)) to coordinate activity to:

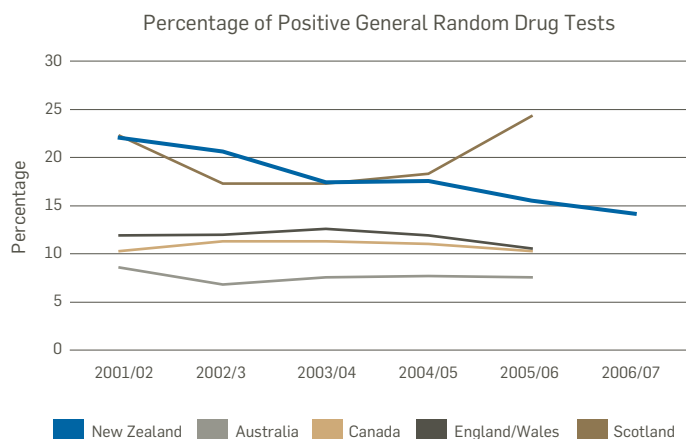
- reduce the supply of drugs to offenders
- reduce offenders' demands for drugs
- increase attention on reducing the harm caused by drugs.

In 2006/07, Corrections increased the number of drug dog detection teams, increased point-of-entry surveillance, and implemented new scanning equipment and intelligence gathering techniques to reduce the supply of drugs in prisons. The Department implemented a number of changes following its review of the Identified Drug User (IDU) programme, including actions to:

- increase the randomness of drug testing
- allow IDU prisoners access to rehabilitation and reintegration programmes after two negative drug tests
- provide programme providers discretion on retaining positive-testing prisoners on programmes, and providing positive incentives for IDU prisoners to stay drug-free (eg family visits for drug-free prisoners).

Details on the quantity of drug tests and performance are outlined under Output 5.6 – Drug Reduction, on page 95.

The following table illustrates that Corrections has been successful in reducing drug use within prisons.



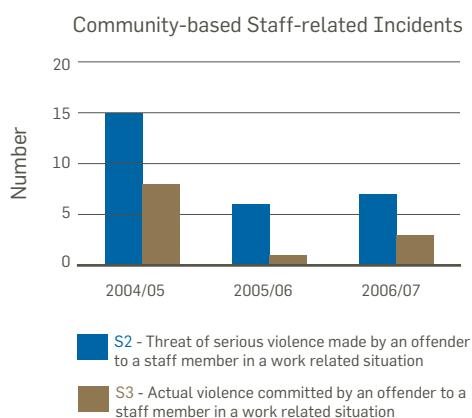
## SAFETY OF STAFF, VISITORS AND OFFENDERS

### Community-based Offenders

The safety of staff managing or working with offenders on community-based sentences is a priority.

During 2006/07 there were seven incidents of threat of serious violence directed by an offender at a staff member and three actual incidents of violence by an offender against a staff member. Staff are trained to work with offenders and to watch for early warning signs of violence.

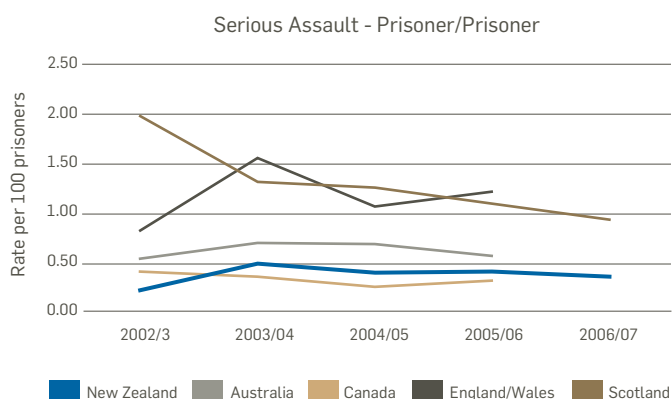
The number of assaults against staff working with community-based offenders has reduced markedly since 2004/05, despite the increased number of sentences and orders being managed.



## Prisons

By securely containing prisoners, Corrections safeguards the wider community. Corrections also has a responsibility for the safety of its staff, visitors, and the prisoners themselves. It must also ensure that whilst prisoners are securely contained, they are also housed humanely – protected from avoidable harm, afforded protection of their lawful rights (see the case study on page 13), and their basic human needs are addressed. These needs include the basic necessities of life (food, shelter, and clothing), adequate health care, opportunities to maintain relationships with family and friends, spiritual support, and access to a reasonable level of recreation and leisure.

Keeping prisoners and staff safe from harm is a priority for the Department. This is a challenge in the prison environment, which often includes dealing with individuals who are at a low point in their lives, or who may resort rapidly to violence when facing conflict or frustration. Staff are trained to work with prisoners to create a stable social environment and to watch for early warning signs of violence. If violence does occur, staff are trained in de-escalation and approved control and restraint techniques.



The rate of serious assaults between prisoners is lower than in other jurisdictions.





## PRISONER RIGHTS

All sentences and orders entail a range of restrictions and requirements which affect offenders' daily living. These include restrictions on their freedom, the things that an offender may have in their possession, the requirement to conform to routines, and tight controls on contacts with people from the community, including family/whānau. A restriction on the use of alcohol and other drugs is also one of the aspects of imprisonment and can be a condition of some community-based sentences and orders.

While prisoners are restricted in relation to many aspects of their lives while in prison, under the Corrections Act 2004 (section 69 – 82) there are minimum entitlements that all prisoners are entitled to receive while under the care and custody of the Department. These include such things as a bed and bedding, food and drink, access to private visitors, access to legal advisers, physical exercise, access to information and education, to send and receive mail and to make outgoing telephone calls.

Prisoners are provided with a sufficient quantity of wholesome food and drink based on the food and nutritional guidelines and any drinking water standards issued by the Ministry of Health (MoH).

Prisoner communication (externally) is managed in a way that facilitates approved communications and restricts the likelihood of illegal activity.

All prisoners are entitled to make at least one outgoing telephone call of up to five minutes duration per week, in addition to any calls to an outside agency or his or her legal adviser. All telephone calls (except approved 0800/0508 numbers) are at the expense of the prisoner.

Prisoners are entitled to send and receive mail, however staff members must take into account considerations when dealing with any mail to or from a prisoner, such as the need to protect the privacy of prisoners and their correspondents; the benefits to prisoners of maintaining contact with persons and organisations outside the prison; the need to maintain the security and order of the prison; the need to prevent the commission of offences; the need to ensure the safety of any person; and the need to prevent the entry of unauthorised items into the prison.

Prisoners are entitled to have at least one private visitor a week for a minimum duration of 30 minutes. Prisoners must establish a pre-approved visitor system and all visitors are required to comply with a strict set of rules and regulations each and every time they make a visit to the prison. This maintains the family and social relationships of the prisoner in order to promote the prisoner's reintegration into the community on release. Each prison will also have up to three family/whānau days each year.

Visits to a prisoner or prisoners are not recorded by sound or visual recording without the approval of the Prison Manager, the prisoner and the visitor. However, visual images of prisoners and visitors may be recorded by security surveillance cameras.

The rate of serious assaults on staff by prisoners is higher compared with other jurisdictions, but the number of all assaults against prison staff has decreased since 2004/05. The safety of our staff is paramount and Corrections Officers are trained in de-escalation techniques and have extensive training on the use of approved control and restraint techniques.

Prison staff are also trained to minimise incidents of self-harm by prisoners, including suicide and drug overdoses. Prisoners identified as being at risk of self-harm are actively managed to prevent as many incidents as possible. Deaths in prison are rare, and on the unfortunate occasions when they occur an investigation is always carried out by the Inspector of Prisons into the circumstances surrounding the death.

New Zealand compares favourably against other jurisdictions for rates of unnatural and apparent suicides in custody.

## Offender Health

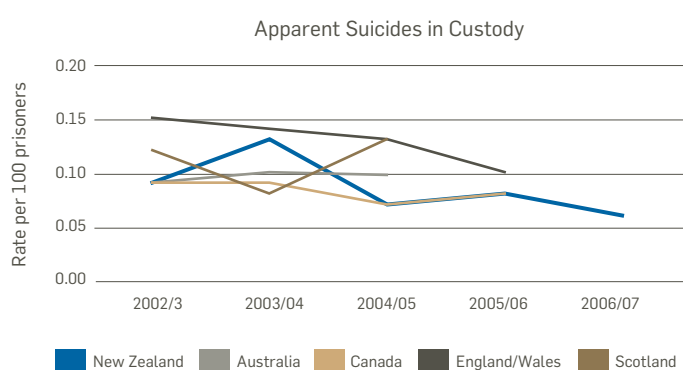
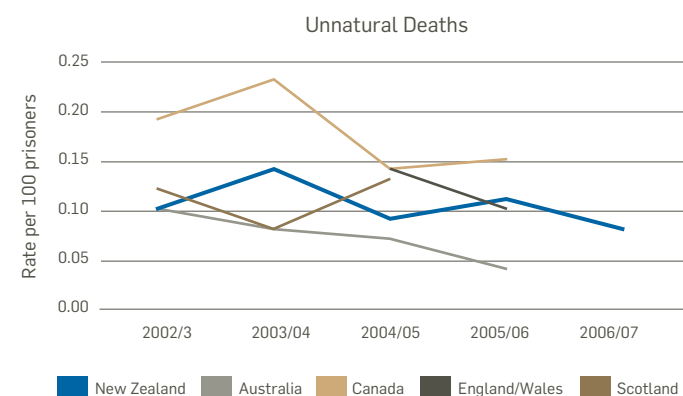
Improving the health and wellbeing of offenders has been a focus for Corrections in 2006/07. In August 2006 the Offender-Related Health Action Group was established so that Corrections, the Ministry of Health and District Health Boards can work together to improve the health and wellbeing of offenders through better identification of offenders' health needs and improving access to health services.

The Department also worked with the Ministry of Health and the Ministry of Justice on the Effective Interventions-related review of the interface between addiction and mental health treatment and the criminal justice system. Initiatives to reduce gaps, specifically relating to Māori and Pacific people and women, were approved by the Cabinet in May 2007.

## SUPPORTING VICTIMS OF CRIME

Corrections contributes to protecting the public by supporting victims of crime who are eligible to receive information under the Victims Rights Act. New Zealand Police forward to the Department the names and contact details of these victims and the Department then provides notification services to them. The Department also provides these victims' details to the New Zealand Parole Board, Department of Labour (Immigration Service) and the Ministry of Justice so they may provide notification services required by the Parole Act, Victims' Rights Act and Prisoners' and Victims' Claims Act.

The Department refers victims to other appropriate agencies and non-government organisations for specialist support. The Department has a Memorandum of Understanding with the New Zealand Council of Victim Support Groups which aims to improve services to victims from both organisations.



## OUTCOME – REDUCING RE-OFFENDING

The Department works with offenders to reduce their risk of re-offending in the future. Re-offending is not reduced simply by the harshness of their sentence, but is assisted by well-designed rehabilitation and reintegration programmes delivered to offenders in the community and in prisons. Rehabilitative programmes and services target the personal characteristics of offenders that are known causes of offending (criminogenic needs). By reducing the strength of these characteristics, re-offending can be reduced. Reintegrative programmes and activities support offenders by providing them with education, experience and support to help them transition back into the community.

The Recidivism Index (RI) and the Rehabilitation Quotient (RQ) measure progress in reducing re-offending. The RI measures performance in reducing re-offending across all offenders managed in a single year, and the RQ measures the extent to which re-offending was reduced amongst offenders who completed specific rehabilitative programmes. The use of these indicators is not straightforward as re-offending, reconviction and sentencing are subject to a range of influences, many of which are outside the Department's control. Nevertheless, they are useful as a general means to assess the Department's performance. More information on the RI and RQ is available on pages 22 to 26.

### REHABILITATION PROGRAMMES AND SERVICES

A review of the Department's approach to rehabilitation resulted in changes to the mix, design and structure of programmes, including substantial increases in the intensity of core programmes.

During 2006/07 the following changes were made:

- design of a Short Motivational Programme and delivery to short serving prisoners

- design of a Medium Intensity Rehabilitation Programme for medium-risk offenders, and delivery in the community and in prison
- design of a Special Treatment Unit Programme which is intensive
- design of a Short Rehabilitation Programme and delivery in the community and in prison
- design of a Relapse Prevention Programme for offenders who have completed other rehabilitation programmes; implementation will occur in 2007/08
- a pilot commenced in January 2007 of an intensive group treatment programme for prisoners with dangerous and severe personality disorders with an evaluation of the programme planned for 2007/08
- a pilot and evaluation of an intensive programme for imprisoned high-risk rapists.

Reducing re-offending associated with the use of drugs and alcohol is an ongoing focus for the Department. During 2006/07, the Department worked with the Ministry of Health to review the availability of drug treatment programmes for community-based offenders. As part of the Effective Interventions package, Corrections also collaborated with the Ministry of Justice and the New Zealand Police to develop proposals for the judicial monitoring of offenders, particularly in relation to monitoring alcohol and drug treatment. Judicial monitoring of offenders on home detention, parole and intensive supervision was included in the Criminal Justice Reform Bill.

The Department opened two new Drug Treatment Units in prisons in 2006/07 – one at Christchurch Men's Prison in July 2006 and one at Hawke's Bay Prison in April 2007.

Corrections will also open a new unit at Rimutaka Prison in late 2007 and one at Spring Hill Corrections Facility in July 2008 as part of the Effective Interventions package.

Also under the Effective Interventions package, two special treatment units for high-risk prisoners are to be established in prisons, the first to be operational from

1 July 2008 in Spring Hill Corrections Facility and the second from 1 July 2009 in Christchurch Prison. The 300-hour Intensive Rehabilitation Programme will be delivered within these units. The design of the first unit (Waikeria Prison's Karaka Unit) was finalised during 2006/07 and a pilot of the programme commenced in July 2007. Design for the second unit will take place during 2007/08.

The following table outlines the special focus units that the Department provides to prisoners.

Focus Unit Type	Description	Location (capacity)
Māori Focus Unit	Māori Focus Units were developed to provide an environment and programmes to meet the specific needs of Māori prisoners, including preparation for their release. Māori Focus Units are constituted on Tikanga Māori principles and operate within a Tikanga Māori environment.  Each Māori Focus Unit is housed in a stand-alone 60-bed unit.	Hawkes Bay (60)
		Rimutaka (60)
		Tongariro/Rangipo (60)
		Waikeria (60)
Drug Treatment Unit	Drug Treatment Units aim to reduce an offender's risk of re-offending by treating alcohol and/or other drug addictions. The 24-week programme includes behavioural therapy, education on addiction and change, building new skills, group therapy and one-to-one therapy.	Wanganui (60)
		Arohata (20)
		Christchurch Men's (60)
		Hawkes Bay (60)
Sex Offender Treatment Unit	Specialist therapeutic units at Rolleston Prison in Canterbury (Kia Marama) and Auckland Prison (Te Piriti) deliver group based treatment within a therapeutic environment for prisoners with convictions for sexual offences against children. Evaluations have shown that these programmes are proving to be effective in reducing sexual re-offending. The programme held at the Te Piriti unit is designed within a Tikanga Māori environment.	Waikeria (32)
		Auckland (60)
		Rolleston (60)
Violence Prevention Unit	The specialist treatment unit at Rimutaka Prison is the first of its kind in the world. In order to be accepted on to the programme prisoners must show a required level of motivation, and recognise that controlling the causes of their offending will reduce the likelihood of their re-offending in the future. Follow-up support on release into the community is an important aspect of the programme.	Rimutaka (30)
Self Care Unit	Longer serving prisoners may be eligible to spend time in a self care unit as they near release. These residential-style units let the prisoners get used to living in a house or flat environment and give them the opportunity to learn and practise the skills they will need to live independently after release. The Living Skills programme is also delivered.	Arohata (16)
		Auckland Women's (32)
		Christchurch Men's (20)
		Christchurch Women's (20)
	Some prisoners with babies may be eligible to live in Self Care Units at Arohata, Auckland Women's and Christchurch Women's under the mother-child placement option.	Hawkes Bay (40)
		Northland (48)
	It is expected that a Self Care Unit will also be opened at Spring Hill Corrections Facility after it opens in late 2007.	Otago (20)
		Rimutaka (20)
		Wanganui (40)

Focus Unit Type	Description	Location (capacity)
Young Offender Units	<p>Male prisoners under the age of 18, or male 18 and 19-years old deemed vulnerable (using the Prison Youth Vulnerability Scale), are placed in Young Offender Units (remands and those sentenced to a prison term).</p> <p>Section 179 of The Corrections Regulations 2005 requires that all prisoners under the age of 18 years must:</p> <ul style="list-style-type: none"> <li>• be kept apart from prisoners who are 18 years or older when inside a prison</li> <li>• be kept apart from prisoners who are 18 years or older, where practicable when outside a prison.</li> </ul> <p>The primary objectives of the Young Offender Units are:</p> <ul style="list-style-type: none"> <li>• To manage male prisoners under 18 years of age and adult male 18 and 19-year-olds deemed vulnerable, in a manner appropriate to their age, level of maturity and statutory requirements.</li> <li>• To provide a safe and secure developmental environment, away from the mainstream prison population.</li> <li>• To reduce re-offending by providing access to a range of educational, vocational, psychological and recreational activities in a structured and supportive environment that is normalised as much as is possible in a prison setting.</li> </ul>	<p>Christchurch Men's (40)</p> <p>Hawkes Bay (30)</p> <p>Rimutaka (20)</p> <p>Waikeria (35)</p>
Reintegration Unit	<p>The purpose of the Reintegration Units is to house male prisoners who are serving the final 12 months of their sentence and who would benefit from specialist support before they return to the community. These units accommodate prisoners with a low-medium or minimum security classification and provide a structured environment where Release to Work and vocational training opportunities can be maximised.</p> <p>Prisoners held in these units are assisted to find accommodation and employment, as well as assistance with practical life skills such as managing debt.</p>	<p>Mt Eden Men's (70)</p> <p>Rimutaka (60)</p>
Faith-based Unit	<p>The purpose of the Faith-based Unit is to reduce the risk of re-offending by providing a programme with a strong Christian emphasis. Within a supportive environment, prisoners are provided with an opportunity to explore the Christian faith and support leading up to and following their release.</p> <p>The unit functions as a partnership between the Department of Corrections and Prison Fellowship New Zealand (PFNZ). The Department is responsible for the overall management of the unit and PFNZ is responsible for administering the 18-month Christian development programme.</p>	Rimutaka (60)
Pacific Focus Unit	The Pacific Focus Unit (PFU) will provide a therapeutic environment where prisoners are encouraged and supported to deal with their motivational barriers to addressing offending needs.	To be opened in Spring Hill during 2007/08.

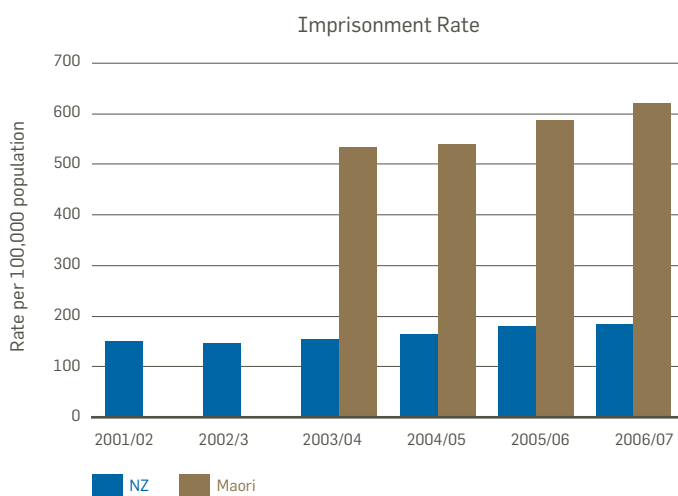
The following table outlines the rehabilitative programmes that the Department provides to offenders.

Programme Type	Programme	Target Audience
<b>Responsivity/Motivational Programmes (Output 7.1)</b>  These programmes are designed to address the offender's motivation to address their offending behaviour, their willingness to change or their 'responsivity'.	<b>Short Motivational Programmes (page 104)</b> are delivered to medium risk prisoners sentenced to less than two years.	Prisoners
	<b>Tikanga Māori Programmes (page 105)</b> are designed to use Māori philosophy, values, knowledge and practices to increase motivation for offenders to address their offending behaviour.	Prisoners, Community-based offenders
	<b>The Faith-Based Unit Programme (page 105)</b> is a Christian-based programme provided in partnership with the Prison Fellowship New Zealand providing support leading up to and following release. Core modules include personal value and purpose, transformation, restoration and reintegration.	Prisoners
<b>Special Treatment Units and Rehabilitation programmes (Outputs 7.2, 7.3)</b>  These rehabilitative programmes are designed to address the factors underlying offending behaviour. Long, hard and intensive, these programmes require offenders to address factors relating to their offending.	<b>The Sex Offender Treatment Programme (page 106)</b> is located in a Special Treatment Unit for prisoners convicted of sex offending against children. Offenders attend group therapy and individual therapy.	Prisoners
	<b>The Violence Prevention Programme (page 108)</b> is located in a Special Treatment unit and assists offenders to develop skills needed to live without violence, such as controlling violent impulses and conflict resolution.	Prisoners
	<b>The Saili Matagi Programme</b> The programme aims to assist male Pacific prisoners to identify and change their beliefs, attitudes and behaviours that have resulted in their violent offending and ultimately reduce intergenerational violence and the likelihood of re-offending.	Prisoners
	<b>The FOCUS Programme (page 108)</b> is a youth offender programme designed to develop cognitive behavioural reasoning for effective social interaction.	Prisoners
	<b>Māori Therapeutic Programmes (page 109)</b> are delivered in Māori Focus Units and at Northland Prison.	Prisoners
	<b>Relapse Prevention Programmes (page 109)</b> are for offenders who complete the Departments Rehabilitation Programmes.	Community-based offenders
	<b>Substance Abuse Programmes in a Treatment Unit Environment (page 110)</b> are delivered to highly recidivist offenders with identified alcohol and drug-related needs.	Prisoners
	<b>Intensive Rehabilitation Programmes (page 110)</b> are delivered in a dedicated prison unit for high-risk offenders.	Prisoners
	<b>Rehabilitation Programmes (page 111)</b> are designed to address the offenders causes of criminal offending. These are the medium intensity rehabilitation programme and the short rehabilitation programme.	Prisoners, Community-based offenders
	<b>Other Rehabilitative Programmes (page 112)</b> are delivered by a third party and are designed to address the offenders causes of criminal offending eg sex offender, domestic violence and alcohol and drug programmes.	Community-based offenders

Programme Type	Programme	Target Audience
<b>Education (Output 7.4)</b>  This seeks to improve the education standards of prisoners to improve skills and their ability to gain employment after release.	<b>The National Certificate in Employment Skills (page 113)</b> offers learning in a range of work-related skills such as oral and written communication, numeracy, teamwork and problem-solving, workplace safety, computer skills and self management.	Prisoners
	<b>General Education (page 113)</b> activities include English as a Second Language (ESOL), remedial reading, numeracy and literacy courses and secondary education.	Prisoners

## PROGRAMMES AND SERVICES FOR MĀORI AND PACIFIC PEOPLES

Reducing re-offending by Māori and Pacific offenders is a priority for the Department, because Māori and Pacific offenders have a disproportionately high level of representation at all stages of the criminal justice process. The graph below illustrates the imprisonment rate for the whole population of New Zealand against the imprisonment rate for the Māori population.



The Department's 2003–2008 Māori Strategic Plan and 2005–2008 Pacific Strategic Plan outline the ways the Department will work, and the programmes and services in place, to specifically target reducing Māori and Pacific offenders' rehabilitative and reintegrative needs. These plans can be found at [www.corrections.govt.nz/public/news/strategic-documents/sbp/](http://www.corrections.govt.nz/public/news/strategic-documents/sbp/). The Department also seeks advice on how to be more effective for Māori and Pacific offenders, through the Chief Executive's Māori and Pacific Advisory Groups, and through working closely with local iwi to ensure that services are delivered in ways that work best for Māori.

During 2006/07, the Department developed and implemented a forum for programme providers, staff and iwi to build partnerships in order to provide more effective Tikanga Māori based programmes to offenders. Tikanga Provider Forums were held in each of the main regions and were attended by all provider groups and representatives from the Department.

The Department also:

- continued a series of evaluations to assess the effectiveness of services targeted at Māori offenders
- commenced a review of the effectiveness of Māori Focus Units in reducing re-offending
- opened Papamauri, a Māori cultural space, at Auckland Region Women's Correctional Facility, where programmes can be delivered in collaboration with kaitiaki to target the needs of Māori women prisoners
- examined prisoner induction processes to identify ways of better addressing Māori needs
- facilitated interviews with selected offenders by Te Puni Kokiri and the Ministry of Justice on practical Effective Interventions initiatives that could reduce Māori offending, re-offending and imprisonment rates.

Throughout 2006/07, Corrections continued to implement the iwi partnership framework and policy. A Memorandum of Partnership was signed with Tai Poutini (West Coast) and the draft Tupoho Memorandum of Partnership (Wanganui) was amended to meet Ngati Apa needs and signed on 25 June 2007. Draft Memoranda of Partnership for the Auckland Region Women's Corrections Facility, Otago Corrections Facility and Spring Hill Corrections

Facility were progressed through consultation with the respective Kaitiaki (Pūkaki ki te Ākitau) and are nearing completion.

During the year, the Department agreed a national framework for its relationship with Pacific peoples. A Pacific Advisory Group was established for Spring Hill Corrections Facility to support the establishment of the first Pacific Focus Unit. The Saili Matagi programme, a violence prevention programme for male Pacific offenders, offers cultural elements that are familiar and relevant to Pacific men, and was available for offenders throughout 2006/07. It combines a Pacific cultural model with Western group therapy, and aims to help Pacific men change their violent behaviour.

### PRISONER EMPLOYMENT AND TRAINING

Reintegration into the community is an important aspect of the Department's work to reduce reoffending. Many prisoners lack any type of formal qualification and have little or no experience of work when they come into prison - assisting them to gain the skills and qualifications that enable them to obtain and sustain employment on their release is integral to reducing re-offending.

The main components of the Department's work in this area include providing experience of work and practical skills in prison industries, access to related trade and technical training courses resulting in formal qualifications, and, in the latter part of the sentence, the opportunity to participate in the 'Release to Work' programme.

The Department employs prisoners in a variety of **prison industry and self-sufficiency activities** every day. Jobs range from working the dairy farms on prison land, to nursery and horticulture work, forestry, timber processing, light engineering, joinery, printing, metal fabrication and catering in prison kitchens. They provide a structured work environment, designed to mirror the community employment experiences as closely as possible. Prisoners also work towards NZQA unit standards and credits as part of their day to day work in industries.

The Department's Prisoner Employment Strategy 2006–2009 outlines strategies to increase work skills and qualifications of prisoners, and is available at [www.corrections.govt.nz/public/pdf/publications/prisoner-employment-strategy-2006-2009.pdf](http://www.corrections.govt.nz/public/pdf/publications/prisoner-employment-strategy-2006-2009.pdf)

Prison industries are becoming more closely linked to areas of greatest need identified in the general labour market. In the area of **Trade and Technical Training**,

the Department is working with external education providers to provide NZQA-accredited courses that result in whole qualifications for prisoners who are able to successfully complete them. In 2006/07, this approach focused on the Northland Region Corrections Facility where courses in Forestry, Horticulture and Elementary Construction were delivered. This approach will be expanded to other prison facilities in 2007/08.

Vocational training is often a pre-requisite to both industry work and Trade and Technical Training. The Department provides programmes to help prisoners raise their basic literacy and numeracy levels. It also helps prisoners study for the National Certificate in Employment Skills (NCES) and other general education activities that help prisoners to cope in the community. Details on general education provided to prisoners are set out under Output 7.4 – Education and Training, on page 113.

The **Release to Work** programme is the final part of the Department's role in preparing prisoners to work in the community. Release to Work is a form of temporary release allowing low security prisoners meeting strict eligibility criteria nearing the end of their sentence to be released to work during the day in ordinary jobs in the community. The Release to Work programme is an excellent way for prisoners to experience a regular workplace and build a stable work record.

In the last week of June 2007, 116 prisoners were on Release to Work from 15 prisons around the country. This compares with an average of 27 in June 2006. During 2006/07 the Release to Work programme was strengthened as part of the Prisoner Employment Strategy with the establishment of eight case managers and five coordinators. These roles will help to increase the availability of eligible prisoners for Release to Work, and will work more closely with employers to find more jobs for prisoners.

Across these three types of activities, employment and related skills training was provided to 3,495 prisoners in 2006/07. In an environment of higher than expected prisoner numbers, the implementation of the first year of the Prisoner Employment Strategy saw an increase from 40 per cent of all sentenced and remand prisoners in work or training in June 2006, to 44 per cent of all prisoners by the end of June 2007. This is against a target of 60 per cent of all prisoners to be in work or training by 2009/10.

More detail on the Department's performance in employment-related activities are outlined under Output Class 6 – Prisoner Employment, on pages 96 to 102.



### Prisoner Employment Strategy

2006/07 was the first year of implementing the Department's new Prisoner Employment Strategy. The overall goal of the strategy is to provide more prisoners with meaningful work and training experience in prison, in order to assist them to sustain employment on release.

Over four years, the Department is aiming to create 1,900 more places for prisoners in employment and training activities. These places may be in industries such as furniture manufacturing and assembly, light engineering, forestry, farming, or catering and hospitality, among others. Or they may be in trade and technical training courses provided by external providers such as polytechnics in order to support prisoners to the achievement of formal qualifications.

By the end of 2006/07, the Department had created 416 additional employment and training places and laid the groundwork for more growth in the coming year.

## OTHER REINTEGRATION SERVICES

Upon leaving prison offenders may experience varying degrees of difficulty in managing the practicalities and challenges of reintegrating back into the community. Although their personal integration issues have been addressed as far as possible through their sentence plans, some offenders need direct assistance in effectively addressing their social needs in the initial release period. The prime need has been identified as accommodation together with other support services such as financial and relationship management, employment, and community and health care services. The provision of supported accommodation for high-risk offenders and access to reintegration teams help offenders reintegrate successfully into their families/whānau, the community and the workforce. In preparing offenders for release programmes are provided for offenders that focus on family functions and social attitudes, victim empathy, life and parenting skills. Details on the Department's reintegrative programmes and activities are outlined under Output Class 7 on page 103.

Many of the reintegrative services provided are delivered in partnership with other government agencies and community organisations such as the New Zealand Prisoners' Aid and Rehabilitation Society. In 2006/07, the Department worked with the Ministry of Social Development to set up prison reintegration teams and enhance reintegration processes in each prison. These teams bring together Work and Income case workers, and

Corrections' reintegration staff, whānau liaison staff and social workers to provide employment case management and work broker services to prisoners. They also help prisoners being released by assessing accommodation requirements, providing advice on managing relationships and financial management advice. The work done by these staff in prisons is critical to support the work of Probation Officers in managing offenders when they are released from prison.

As noted in the table on page 17, new reintegration-focused units were established at Rimutaka and Mt. Eden prisons in late 2006. These units accommodate selected male prisoners with a low-medium or minimum security classification in the final year of their sentence. The units provide a structured environment where Release to Work and vocational training opportunities can be maximised.

In 2005/06 the Department worked with Housing New Zealand and the Auckland Prisoners' Rehabilitation Society to set up a pilot service to provide supported accommodation in Auckland for offenders with high-level reintegrative needs and to provide them with help to find longer-term accommodation. This pilot was reviewed in 2006/07, with 35 of the 37 participants on the pilot successfully moving on to live independently in their own accommodation. Based on the success of the pilot, the service is being expanded to Wellington and Christchurch.

## MEASURING REDUCTIONS IN RE-OFFENDING

As discussed above, achievements in relation to reducing re-offending are assessed through the use of two measures, the Recidivism Index (RI) and the Rehabilitation Quotient (RQ).

### Recidivism Index (RI)

Table 1 provides reconviction rates as recorded over 12 months for those released from prison or commencing community-based sentences during the 2005/06 (1 April – 31 March) year. Table 2 provides the rates over 24 months for those released from prison, or commencing community-based sentences, during the 2004/05 year.

RI figures are reported for multiple categories of offenders, with significant variation observed in reconviction rates between sentence types, offence types and demographic groups.

The overall RI results for 2006/07, when compared to the 2005/06 reported results, generally indicate small per centage increases in average reconviction and re-imprisonment rates for offenders released from prison and as well as for offenders commencing community-based sentences.

**Table 1: Recidivism Index - 12-months follow-up (Percentages) for 2005/06**

Category	Group	Released from prison		Commenced community sentence	
		Reconvicted & re-imprisoned only	All reconvictions (+ community sentence or re-imprisoned)	Reconvicted & imprisoned only	All reconvictions (+ community sentence or imprisoned)
<b>All</b>		<b>27.6</b>	<b>42.3</b>	<b>8.6</b>	<b>31.8</b>
<b>Gender</b>	Female	15.2	30.7	4.1	21.5
	Male	28.7	43.4	9.7	34.3
<b>Ethnicity</b>	European	24.9	38.2	7.5	29.7
	Māori	31.2	47.6	10.3	36.0
	Pacific	18.7	30.5	6.8	24.8
	Other (incl. Asian)	14.3	22.7	3.5	19.9
<b>Age</b> (at PPS release or start of CPS sentence)	<20 years	46.5	66.6	11.5	47.7
	20-24 years	36.0	54.7	9.8	36.8
	25-29 years	30.5	47.3	8.9	29.7
	30-39 years	23.6	36.9	7.9	26.5
	40 and above	13.2	21.5	4.7	16.9
<b>Offence</b> (Most serious for original sentence)	Dishonesty	44.1	60.0	12.5	43.8
	Property Damage/ Abuses	27.2	45.0	10.8	38.6
	Admin	37.1	46.9	8.6	24.4
	Violence	26.8	43.3	8.7	32.3
	Traffic	17.0	31.2	6.4	26.5
	Drug & Anti-social	17.1	27.3	7.6	28.6
	Sexual	8.1	11.2	4.9	19.4
	Other Minor offences*	(see note)	(see note)	5.1	18.5

Category	Group	Released from prison		Commenced community sentence	
		Reconvicted & re-imprisoned only	All reconvictions (+ community sentence or re-imprisoned)	Reconvicted & imprisoned only	All reconvictions (+ community sentence or imprisoned)
<b>Community-based Sentence</b>	Supervision	n/a	n/a	12.1	32.1
	Community Work	n/a	n/a	8.0	32.5
<b>Inmate Security Classification</b> (at Release)	Maximum*	(see note)	(see note)	n/a	n/a
	High-medium	46.5	59.6	n/a	n/a
	Low-medium	39.0	56.4	n/a	n/a
	Minimum	24.5	38.3	n/a	n/a
<b>Release Type</b>	Parole	23.6	30.8	n/a	n/a
	Home Detention**	12.0	18.6	3.8	11.3
	Post-release Conditions***	28.3	44.3	n/a	n/a
<b>Sentence Length</b>	6 mth or less	28.0	44.4	6.8	31.9
	> 6mth but <= 1yr	26.8	43.6	9.9	31.1
	>1 to 2 yr	31.9	45.0	11.7	29.2
	>2 to 3 yr	26.6	34.4	n/a	n/a
	>3 to 5 yr	18.7	23.3	n/a	n/a
	>5 yr	17.8	24.6	n/a	n/a
<b>All (2004/2005)</b>		<b>27.7</b>	<b>41.1</b>	<b>8.2</b>	<b>28.7</b>

#### Notes

Figures indicate rate of reconviction / re-imprisonment (within a subsequent 12-month period) amongst all offenders released from prison or commencing a new community sentence between 1 April 2005 and 31 March 2006.

Source is CMS conviction and sentencing data, as at 30 June 2007.

\* Insufficient numbers to report

\*\* 'Front-end' Home Detention reported as CPS new start and 'back-end' Home Detention reported as PPS release

\*\*\* Post-release conditions was introduced by the Sentencing Act 2002; order imposed by judge at time of sentencing

**Table 2: Recidivism Index - 24-months follow-up (Percentages) for 2004/05**

Category	Group	Released from prison		Commenced community sentence	
		Reconvicted & re-imprisoned only	All reconvictions (+ community sentence or re-imprisoned)	Reconvicted & imprisoned only	All reconvictions (+ community sentence or imprisoned)
<b>All</b>		<b>38.8</b>	<b>55.4</b>	<b>12.7</b>	<b>41.9</b>
<b>Gender</b>	Female	28.1	45.3	6.2	30.1
	Male	39.9	56.3	14.4	44.9
<b>Ethnicity</b>	European	36.9	52.2	10.8	39.1
	Māori	42.5	60.3	15.5	47.0
	Pacific	30.1	44.9	9.4	33.9
	Other (incl. Asian)	10.4	20.0	6.2	25.1
<b>Age</b> (at PPS release or start of CPS sentence)	<20 years	59.3	79.2	16.8	60.5
	20-24 years	45.9	65.0	14.5	46.3
	25-29 years	44.0	63.2	12.9	41.9
	30-39 years	35.1	50.7	11.9	36.6
	40 and above	22.6	33.7	7.1	24.2
<b>Offence</b> (Most serious for original sentence)	Dishonesty	56.4	73.1	18.2	54.7
	Property Damage/ Abuses	39.7	58.1	14.8	51.8
	Admin	43.6	59.5	12.3	31.1
	Violence	37.1	55.1	12.0	41.7
	Traffic	29.3	45.0	10.5	35.5
	Drug & Anti-social	28.1	41.2	10.9	39.2
	Sexual	15.2	23.0	6.8	25.2
	Other Minor offences*	(see note)	(see note)	9.1	35.5
<b>Community-based Sentence</b>	Supervision	n/a	n/a	18.4	44.5
	Community Work	n/a	n/a	11.7	42.3
<b>Inmate Security Classification</b> (at Release)	Maximum*	(see note)	(see note)	n/a	n/a
	High-medium	67.9	76.4	n/a	n/a
	Low-medium	52.7	68.4	n/a	n/a
	Minimum	34.3	51.3	n/a	n/a
<b>Release Type</b>	Parole	31.9	44.2	n/a	n/a
	Home Detention**	21.1	37.0	11.3	26.0
	Post-release				
	Conditions***	42.1	59.1	n/a	n/a

Category	Group	Released from prison		Commenced community sentence	
		Reconvicted & re-imprisoned only	All reconvictions (+ community sentence or re-imprisoned)	Reconvicted & imprisoned only	All reconvictions (+ community sentence or imprisoned)
Sentence Length	6 mth or less	38.2	56.2	11.9	41.8
	> 6mth but <= 1yr	41.9	59.5	18.5	42.8
	>1 to 2 yr	44.0	59.5	22.0	44.2
	>2 to 3 yr	34.9	48.0	n/a	n/a
	>3 to 5 yr	28.9	40.5	n/a	n/a
	>5 yr	26.2	34.4	n/a	n/a
<b>All (2003/2004)</b>		<b>39.2</b>	<b>56.4</b>	<b>12.1</b>	<b>40.4</b>

#### Notes

Figures indicate rate of reconviction / re-imprisonment (within a subsequent 24-month period) amongst all offenders released from prison, or commencing a new community sentence, between 1 April 2004 and 31 March 2005.

Source is CMS conviction and sentencing data, as at 30 June 2007.

\* Insufficient numbers to report

\*\* 'Front-end' Home Detention reported as CPS new start and 'back-end' Home Detention reported as PPS release

\*\*\* Post-release conditions was introduced by the Sentencing Act 2002; order imposed by judge at time of sentencing

#### Recidivism Index Observations

Notable features for those released from a custodial sentence (12-month follow-up) include:

- Males are re-imprisoned at a significantly higher rate than females (29 per cent and 15 per cent respectively) and reconviction rates for male offenders released from prison are also higher than for female offenders (43 per cent and 31 per cent respectively).
- The re-imprisonment and reconviction rates for Pacific peoples (19 per cent and 31 per cent respectively) were notably lower than those for Māori (31 per cent and 48 per cent) and Europeans (25 per cent and 38 per cent).
- Re-imprisonment rates reduce by approximately two-thirds as offenders age (offenders over 40 years are re-imprisoned at less than one-third the rate of those under 20), and vary markedly between offence classes (dishonesty offenders having the highest rates and sex offenders the lowest).
- Offenders released on home detention had reconviction and re-imprisonment rates substantially

lower than the average. This difference was particularly marked for those released from prison to 'back end' home detention, with the re-imprisonment rate (12 per cent) being lower than almost every other sub-group of released prisoners. Even more striking is the very low rate of re-imprisonment amongst 'front-end' home detainees – less than 4 per cent.

- Re-imprisonment rates were higher for prisoners released from medium security classification (39 per cent to 47 per cent) than those for prisoners released from minimum security classification (25 per cent).
- There is a tendency for shorter sentence length to be associated with higher rates of re-imprisonment and reconviction. Offenders serving sentences of between one and two years are re-imprisoned at a higher rate than offenders with a sentence length between three and five years (32 per cent and 19 per cent respectively). This is likely to reflect the fact that prisoners who serve longer sentences do so because of convictions for violent and sexual offences, and offenders imprisoned for these types of offences tend to have lower rates of reconviction.

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

Of interest is that 'front-end' home detention is typically applied to those whose risk of re-offending is higher than other offenders serving community-based sentences. Nevertheless, home detainees recorded a rate of reconviction lower than the rate for those sentenced to Community Work, and less than one third that of those serving Supervision orders. The current reconviction and re-imprisonment rates for 'front-end' home detainees are lower than the corresponding figures reported in 2005/06. In the case of 'front-end' reconvictions, the reduction is two and a half percentage points.

For both prison releases and community sentence offenders, the 24-month RIs generally show a predictable pattern in that the 24-month RI figures typically increase by between 35 per cent and 50 per cent over the 12-month rates.

These data are consistent with a great deal of research on recidivism which indicates that the highest rate of reconviction occurs within the first twelve months, with the proportion re-convicted in each successive year progressively smaller than in the previous year.

### **Rehabilitation Quotient**

Programmes delivered by the Department to enable offenders to lead law-abiding lives are discussed on page 18. These programmes have been designed and implemented in ways consistent with internationally developed best practice principles.

Research on outcomes from rehabilitative programmes has shown that significant reductions in reconviction and re-imprisonment can be achieved when interventions are delivered to appropriately selected offenders.

The purpose of the Rehabilitation Quotient is to gauge the extent to which re-offending is reduced amongst those who received a rehabilitative intervention. The 2004/05 Annual Report contained discussion on findings of poor outcomes from some of the Department's programmes. As a consequence of these findings, the Department reviewed the entire rehabilitative programme framework, including principles for eligibility and selection of offenders. This work resulted in the termination of the

cognitive skills course 'Straight Thinking' which was not performing as expected and extensive work to redevelop others (eg the lower-intensity 100-hour programmes).

Rehabilitation data analysed this year was derived from programmes which were completed between 1 April 2004 and 31 March 2006. Therefore, a significant amount of the data analysed related to programmes that have since either been discontinued or re-designed.

Unsurprisingly, similar outcomes to those given in the 2004/05 Annual Report were found once more in relation to the lower intensity programmes - an absence of positive treatment effect. Obviously, the replication of this finding confirms the direction taken by the Department in re-designing its core rehabilitative programmes, and the expansion of programmes with higher intensity, such as the prison-based drug and alcohol treatment units (DTUs) and generic special treatment units (STUs). Outcomes scores for the new medium-intensity programmes are expected to be available for inclusion in next year's annual report.

Positive results have again been recorded this year in relation to the more intensive programmes. The RQ score for the DTUs (reimprisonment, 12 months follow-up) was 0.09, and for the sex offender STU, the RQ (reimprisonment, 24 months follow-up) was 0.08. As noted above, explanations of the RQ methodology and the interpretation of scores are available on pages 40-42 of the 2004/05 Annual Report.

These results once again confirm the conclusion that more intensive programmes, delivered by specialist personnel to offenders at higher risk of re-offending, are effective in reducing rates of re-offending.

A caveat on the interpretation of RQ results is that offenders managed by the Department have access to a wide range of services, including educational, employment and general living skills training, as well as various supports to assist with reintegration to the community. These services are available in varying degrees to offenders irrespective of whether they have also participated in the core rehabilitative interventions (the specific impact of which the RQ attempts to measure). At this stage the RQ methodology does not account for impacts created by these ancillary services in terms of recidivism outcomes. However, it is widely accepted that the provision of education, training and reintegrative support services can have a significant benefits in reducing risks of future offending.

## Research and Evaluation

Research and evaluation projects, including some multi-year projects, underway during 2006/07 included:

- Evaluation of two pilot rehabilitative treatment programmes, one with very high-risk general offenders, the other with high-risk sex offenders against women.
- Analysis of the characteristics of violent offenders, and their rehabilitative needs.
- Evaluation of the utility in sentence management of the Māori Culture-related Needs (MaCRN) assessment.
- Research into the employment-related outcomes experienced by offenders who had participated in Corrections Inmate Employment work training in prison.
- Evaluation of the Te Ihi Tū community residential centre in New Plymouth.
- Evaluation of the effectiveness of the Specialist Māori Cultural Assessment (SMCA).
- Evaluation of the new prisons operating philosophy in use at the Auckland Region Women's Corrections Facility.
- Analysis of reasons for the under-representation of Māori offenders in the Home Detention population.

These culturally targeted evaluation projects are part of a larger programme of evaluations for Māori and Pacific initiatives all of which are scheduled to be completed by 2010.



## STRATEGIC CHALLENGES AND RISKS FACING CORRECTIONS

Corrections identifies strategic challenges by analysing the environment in which it operates. This includes monitoring demographic projections, international and national trends, gauging public and political perceptions, and monitoring and analysing its own data on a number of critical indicators.

Strategic challenges are those that potentially constrain the Department's ability to achieve its outcomes. The Department manages its business, and implements initiatives, to address these challenges to ensure they do not compromise its ability to protect the public and reduce re-offending.

The Department uses a formal risk management framework to identify and proactively mitigate risks. This framework is based on the Australian/New Zealand AS/NZ 4360:1999 Risk Management standard. Corrections operates a number of separate control mechanisms, including the Internal Audit and Prison Inspectorate functions, that review processes within the operational services and coordinate the internal control framework.

Corrections faces the following key challenges which it is addressing over the medium term through targeted initiatives and by developing its capability.

### MANAGING GROWTH IN THE OFFENDER POPULATION

The number of offenders apprehended, remanded and sentenced has increased substantially in recent years resulting in increases in the number of offenders Corrections manages – both those offenders serving community-based sentences and orders, and remand and sentenced prisoners. This increase is forecast to continue into the future at a rate of growth well above that of the general population. This has placed, and will continue to place, a strain on the Department's operations, facilities and the staff who manage offenders.

There are a range of reasons for the current growth in offenders. Firstly, while overall crime rates appear to

have been relatively stable, violent crime has increased steadily for much of the past two decades. Also, the New Zealand Police have continued to improve their offence resolution rates. Consequently, the number of convictions, and the number of sentences of imprisonment have continued to rise. Average sentence lengths have not changed significantly, but as a result of a number of factors, prisoners tend to spend a greater proportion of the sentence in prison, with release on parole tending to be delayed. Further, the number of instances where offenders are remanded in custody prior to trial or conviction has risen sharply. Finally, the average length of time spent on remand has also increased. All of these factors have combined to increase both the number of offenders entering the justice system (and ending up on both community and prison sentences) as well as the overall size of the prison population.

To cope with the increases in remand and sentenced prisoners over recent years, Corrections has built new prisons and expanded existing prisons, and are recruiting new staff to accommodate the growing prison population. During 2006/07, the Auckland Region Women's Corrections Facility, a 286-bed facility purpose-built for women prisoners in Manukau City, opened as scheduled with the first prisoners received on 2 August 2006. As at 30 June 2007, the facility held 255 prisoners.

Construction of the 335-bed Otago Corrections Facility, at Milburn, south of Dunedin, for male prisoners was completed by 31 March 2007, as scheduled and formally opened by the Prime Minister and Minister of Corrections on 10 May 2007. The first ten prisoners were received in the first week of June 2007 and 40 prisoners were on site by 30 June 2007. The 650-bed Spring Hill Corrections

Facility in North Waikato will formally open in September 2007 and will start receiving prisoners in November 2007. The facility is expected to be at full capacity by mid-2008. During 2006/07, 200 additional beds were constructed at Rimutaka and Christchurch Men's Prisons.

The prison population continued to increase significantly through 2006/07 at a rate above expectations in the 2006 Justice Sector Prison Population forecast. As at 30 June 2007, there were 8,083 prisoners – 3.5 per cent above the 2006 forecast for June 2007 of 7,809. Prisoner numbers also increased by six per cent between January 2007 and 30 June 2007.

To manage both the expected and unexpected risks of the increased prison population, during 2006/07, the Department needed to use disaster-recovery capacity, police cells, more transfers of prisoners between facilities and more 'double bunking' of prisoners throughout the year. Court cells were not used in 2006/07 but remain a limited emergency option.

While the new community-based sentences will provide the judiciary with a broader range of sentencing options as alternatives to prison sentences, prison capacity is still expected to remain a strategic challenge for the foreseeable future.

Further analysis is underway to determine whether growth at the present rate will continue over the mid-to longer-term and the implications for existing prison capacity and future needs.

## **STRENGTHENING AND INCREASING COMMUNITY-BASED SENTENCES**

Increases in the volumes of community-based sentences and orders, and significant work to prepare for the introduction of new sentences and orders as part of the Government's Effective Interventions package, have put a strain on the Department's resources.

The number of community-based sentences and orders managed by the Department was 7 per cent higher than expected. Alongside this, the Department also had to prepare more than expected reports for the courts and the New Zealand Parole Board. Teamed with this, the Department also had to invest significant resources to draft legislation, make changes to systems and processes, and recruit new staff in preparation for the introduction of new sentences and orders as part of the Effective Interventions package.

Despite this demand on resources, the Department has generally maintained quality standards as forecast for community-based sentences and orders. Ensuring that quality standards are maintained in the face of continued stretched resourcing will be a key challenge over the medium-term. This will be particularly challenging given that over 40 per cent of Probation Officers have less than two years experience in the job.

## **EFFECTIVE REHABILITATION AND REINTEGRATION OF OFFENDERS**

Corrections delivers a range of rehabilitative and reintegration programmes for offenders in prison and in the community. It is essential that these programmes are effective in reducing reoffending of those who participate.

Designing and providing rehabilitation and reintegration programmes and services that achieve the desired outcomes and are available to as many offenders as possible is a major challenge for Corrections. The Department is continuously reviewing and evaluating its programmes to ensure it is improving their effectiveness.

The changes to the Department's rehabilitation programmes (outlined on pages 15 to 19) and the implementation of the Prisoner Employment Strategy (described in the case study on page 21) are examples of improvements to the effectiveness of rehabilitation and reintegration activities for offenders.

## **SERVICES TO MĀORI AND PACIFIC OFFENDERS**

Māori and Pacific offenders have a disproportionately high level of representation across all stages of the criminal justice process. Reducing re-offending by Māori and Pacific offenders is therefore a high priority for the Department. Programmes and service are in place to specifically target Māori and Pacific Island offenders' rehabilitative and reintegrative needs, including Tikanga Māori-based courses, Māori Therapeutic Programmes, and the Saili Matagi Pacific Violence programme. Relationships are also maintained with Māori and Pacific communities in order to deliver services that work best for Māori and Pacific offenders.

## **ADDICTION SERVICES**

Studies have shown a majority of people coming into prison have histories of substance abuse. As such, Corrections has a specific strategy to reduce drug and alcohol use (Strategy to Reduce Drug and Alcohol Use by Offenders 2005 – 2008). Corrections provides programmes for offenders with addiction issues when

those addictions have contributed to offenders' past criminal offending. Corrections also expanded the number of prison-based Drug Treatment Units, with two new units opened at Christchurch and Hawke's Bay prisons, with a further two units to open in 2007/08.

Corrections works with health agencies to enable them to provide offenders who have addiction issues with access to addiction services. During 2006/07, the Department worked with the Ministry of Health to review the availability of alcohol and drug treatment programmes for community-based offenders, and options for increasing the availability of these programmes. Corrections and health sector agencies also worked together to design and implement new screening and referral processes to identify offenders with potential gambling, alcohol and/or other drugs issues and to refer these cases to addiction service providers for further assessment and/or treatment.

## PUBLIC TRUST AND CONFIDENCE

In recent times Corrections has been under significant public scrutiny, particularly in relation to prisoner transportation, management of parolees, and allegations of prison staff corruption. The nature of the Corrections' work means that even one failure in its systems and processes can have significant consequences. Corrections is therefore under constant pressure to manage its business to extremely high standards.

The public has a right to know of events and issues when the corrections system does not work as well as it should. However, it is an unfortunate fact that Corrections' successes seldom receive the same level of media attention as do its failures. Corrections must ensure that, as much as possible, people can accurately judge Corrections' true performance – both when it does well and not so well.



A taste of prison life raised money for charity and gave local people insight into the new Otago Corrections Facility.

## CORRECTIONS' CAPABILITY

The capability of Correction's structure, people, leadership and training, culture, staff recruitment and retention strategies, information technology, and physical assets are all critical to its ability to contribute effectively to achieving its outcomes.

### ORGANISATIONAL STRUCTURE

Driven by a need to improve integration, efficiency and effectiveness a major review of the Head Office organisational structure was undertaken in 2006/07. Functions were realigned and a shared services model was introduced on 1 July 2007. The service delivery arms will be supported by specialist shared support services, enabling greater focus on core business. It will also give the Department's senior management the opportunity to allocate support services strategically to best manage risk and organisational needs.

By 1 July 2007 the Probation and Offender Services functions – Community Probation Service, Intervention Services and Psychological Services – were restructured into Community Probation and Psychological Services. This involved combining three different regional structures into one in three regions.

The regional structure in Prison Services is being reviewed along with the Prison Services Head Office review of functions. It has been proposed to align both the Community Probation and Psychological Services and Prison Services regional structures to ensure that staff from both services at all levels of our operations are in a position to further develop strong and cohesive working relationships.

### PEOPLE

#### LEADERSHIP AND TRAINING

Learning and development for all staff is essential for ensuring the competent delivery of our core business. The Department delivers a large range of in-house training under annual training programmes.

During 2006/07, new modules were added to the existing Management at Corrections management development programme and all planned workshops were completed to schedule with 484 staff attending overall.

Staff were selected for the Future Leaders Programme which develops identified staff who have the potential and motivation to become Corrections leaders and managers of the future. The development of senior managers was also a priority with participation in higher learning opportunities supported by the Department.

During 2006/07 other initiatives undertaken include:

- development of training materials for all Probation staff in the new community-based sentences. When delivered in the first quarter of 2007/08, this will involve 6,500 days of training
- delivery of the second stage of Kia Mau, a cultural responsiveness training module for staff which enhances staff knowledge, understanding and skills to work more effectively with Māori offenders
- updated training modules for entry level Corrections Officers
- delivery of the facilitator pathway.

## CULTURE

The Department's values are known by its acronym PRIDE which stands for: professionalism, responsiveness, integrity, diversity and efficiency and effectiveness. In March 2007, seven staff received the Corrections' 2006 PRIDE Chief Executive's Award for their high standards of excellence and effectiveness. To further reinforce and encourage new ideas on making PRIDE more visible, PRIDE was a major theme at the Annual Managers Forum in early 2007.

In response to the claims made about staff corruption during 2006/07, external assistance was engaged in investigating allegations and the matters were dealt with determinedly. An Internal Investigations Team has been established as part of the Head Office reorganisation to ensure the Chief Executive has the capacity and capability to investigate issues of integrity. A number of further initiatives will also be undertaken to deal with situations where the Department's standards of integrity are not met. The Department will also be reminding all staff of the standards they are expected to maintain and will manage an education programme to ensure staff understand how to raise issues, make complaints, escalate matters and make protected disclosures.

During 2007/08, a culture change project will be rolled out to reinforce the message about change, and to emphasise a culture of integrity and concerted action.

## STAFF RECRUITMENT AND RETENTION

Recruitment and retention is an ongoing challenge, especially with the commissioning of new prison facilities, growth in prisoner and overall offender numbers and the introduction of the new community-based sentences. The growth in offender numbers has put Corrections' staff under considerable pressure and has meant that necessary gains could not always be made to the quality of service delivery as staff time was spread over more offenders.

While recruitment results have been generally positive, this means that over 50 per cent of frontline staff have less than five years' experience, with over 40 per cent of frontline probation officers now having less than two years' experience. This raises a strategic challenge in itself, increasing risk and pressure on experienced staff. It also emphasises the importance of staff development to equip new staff with the capability to do a good job and strategies to retain experienced staff.

In 2006/07 the focus was on the recruitment of new or transfer of existing Corrections Officers for both the new Otago Corrections Facility and Spring Hill Corrections Facility. For the Otago Corrections Facility there was a very positive response resulting in a ratio of two experienced to one new custodial staff (2:1) compared with a target of one to one (1:1). This will assist to improve safety and security. By 30 June 2007, recruitment for the Spring Hill Corrections Facility was running to plan, with a good response to an intensive recruitment campaign.

Since September 2006, Probation and Offender Services have also been conducting a major staff recruitment campaign aimed at recruiting (and training) Probation Officers and additional staff to implement and support the new home detention sentence and the new community-based sentences of intensive supervision and community detention under the Effective Interventions programme with effect from October 2007.

A variety of recruitment methods have been adopted during the campaign. In order to manage the increased recruitment volumes, applicant processing has also been centralised and selection processes streamlined. This has reduced the time taken from application to appointment by up to three weeks in some locations.

Overall staff turnover for the Department was 12.43 per cent for the year to the end of June 2007. The Department is implementing a number of initiatives to reduce turnover rates including changes to terms and conditions of employment agreed through collective bargaining, implementing the culture change project and improving management capability. Recently a standardised Department-wide exit interview process has been initiated aimed at improving the Department's understanding of the factors contributing to staff resignations.

## EQUAL EMPLOYMENT OPPORTUNITIES

The Department's EEO Policy aligns with and promotes the Government's policies on equal employment opportunity detailed in the *EEO Policy to 2010: Future Directions of EEO in the New Zealand Public Service*. Equal employment opportunities apply to all aspects of the Department's human resource policies, including recruitment, selection and appointment practices, training, performance management, career development, conditions of employment and the work environment. All departmental employees, regardless of gender, race,

marital status, age, disability, sexual orientation, family status, religious or ethical beliefs, political opinion or union affiliation, have similar access to employment opportunities.

### Responsiveness to Māori

During 2006/07, the Department continued to deliver management training in cultural awareness through the Management at Corrections module, Responsiveness to Māori. This module provides context, background and a range of perspectives as to why Māori are highly represented in the Corrections system. The workshop facilitates understanding of how a number of core Māori concepts can be applied in the workplace to enhance workplace responsiveness.

Te Reo training continued to be offered to staff throughout the year. In addition a Māori mentoring programme (Amohia Ai) was developed aimed at further increasing the number of Māori managers. The programme, whereby non-managerial Māori staff will be mentored by Māori managers, will provide personal and professional development opportunities for the participants, while assisting the Department's drive to create a capable and responsive workforce. It will further incorporate Māori values in the Department's organisational policies, practices and processes and increase the development of Māori staff to support Māori-to-Māori service delivery. A pilot of the two day staff training and development workshop is to be carried out in October 2007.

### Pay and Employment Equity Review

During 2006/07, the Department commenced planning for a Pay and Employment Equity review under the Government's pay and employment equity action plan. The review, to be conducted in 2007/08, will allow the Department, unions and employees to work in close partnership to investigate employment equity across the organisation, identifying areas that are performing well and those that may warrant further investigation. The process will assist the Department's drive to be an employer of choice by working towards removing any barriers to pay and employment equity.

### Employees by Gender and Ethnicity

As at 30 June 2007, the Department employed 6,451 Full Time Equivalent (FTE) employees. The breakdown of employees by gender is shown in the following table:

**Table 3: Employees by Gender as at 30 June 2007**

Number of FTE Staff	Gender	
	Male	Female
	%	%
Manager	64%	36%
Staff	61%	39%
<b>Total</b>	<b>61%</b>	<b>39%</b>

As at June 2007, women represented 39 per cent of the Department's FTE employees compared with 37.5 per cent as at 30 June 2006 and 36 per cent as at 30 June 2005. This surpassed the Department's 2010 EEO target of 38 per cent of all employees being female.

Females made up 36 per cent of managers. Probation and Offender Services had 58.4 per cent female staff at both the non-management and management levels.

### Ethnicity

The following table provides a break down of the ethnicity of FTE staff as at 30 June 2007.

**Table 4: Employees by Ethnicity as at 30 June 2007**

Number of FTE Staff	Ethnicity		
	Māori	Pacific	Other
	%	%	%
Manager	19%	4%	77%
Staff	22%	9%	69%
<b>Total</b>	<b>22%</b>	<b>8%</b>	<b>70%</b>
2010 EEO Target	25%	8%	

Work is continuing to increase the number and proportion of Māori and Pacific staff and managers (particularly those managing Māori and Pacific offenders). Māori and Pacific recruitment strategy webpages were introduced as just one tool for staff to share recruitment strategies and ideas.

Throughout the year, Probation and Offender Services implemented specific initiatives as part of its overall recruitment campaign to increase the number of Māori and Pacific people's staff within the service. This included targeted marketing materials, attendance at Māori expos and events and advertising in Māori media.

## REDUCING INEQUALITIES

The Department of Corrections is one of 13 identified government departments required to report on reducing inequalities. For the Department, reducing inequalities means focusing on the following government outcomes (*Reducing Inequalities: Next Steps Report to Cabinet 2004*):

- better health and reduced inequalities in health
- high levels of participation in education, and improved educational achievement
- improved labour market participation, greater access to sustainable employment opportunities and reduced unemployment
- reduced criminal victimisation and violence
- cultural and ethnic identities are valued.

This Annual Report as a whole is in effect the Department's Reducing Inequalities annual report for 2006/07. A large proportion of the work done by the Department addresses one or more of the above outcomes, as well as the Department's key outcomes of 'protecting the public' and 'reducing re-offending'.

While in prison, the prisoners' health needs are addressed in a manner which is consistent with the standards of care available to the general public.

Many prisoners gain work-related skills, training and general education such as numeracy and literacy. Some gain NZQA qualifications in trade and technical areas. Through Release To Work programmes prisoners also gain work experience in an existing commercial operation. For those offenders serving non-custodial sentences, community work can also contribute to the learning of work related skills. These opportunities greatly improve the ability of offenders to find sustainable employment opportunities and reduce unemployment. This in turn contributes to reducing economic inequalities for those prisoners who attain these skills while in prison, including Māori and Pacific peoples.

The Department offers a range of rehabilitation programmes, for example Violence Prevention or Substance Abuse Programmes as well as reintegration programmes, for example family functioning, social attitudes and life skills.

Māori and Pacific therapeutic programmes, Tikanga Māori programme and reintegrative services connect offenders to their culture in a way that motivates them

to make meaningful changes to their offending behaviour. Addressing factors related to offending will assist in the reduction of re-offending. These programmes and services in turn contribute to reducing social inequalities for Māori and Pacific peoples.

## HEALTH AND SAFETY

Keeping staff and offenders safe and healthy is important to Corrections. The Head Office review established one team for health and safety, responsible for specialist advice and information across the whole Department. In 2006/07, significant increases in health and safety results were achieved. These achievements resulted from a range of proactive activities, including training of employee Health and Safety Committees, improvements to information made available to staff and consistent reporting tools. Training our Health and Safety team in Internal Auditing to the ACC Audit level resulted in the team now qualified to perform audits within the Department.

The Department again achieved primary status in the Accident Compensation Corporation Partnership Programme. The Department has maintained primary status since 2003. The Department always strives for continuous improvement in both our systems and practices.

In recognition of the work carried out on Wellness initiatives and the work of the Health and Safety Committee at Head Office in 2006/07, the Department was a finalist in the ACC's Gold Awards for the Wellington Region. The Department will continue to build on this in 2007/08.

## DISABILITY STRATEGY

Each year the Department of Corrections prepares and implements a Disability Implementation Work Plan aimed at delivering the New Zealand Disability Strategy 2005. This plan is prepared in consultation with the Office of Disability Issues.

In 2006/07 this plan focused on new strategies involving the update of the Corrections website to improve accessibility to disabled people, continued assessment and improvement of prison buildings to provide for the needs of disabled prisoners, and improved data collection processes recording the number of disabled people employed by the Department.

## INFORMATION TECHNOLOGY

Corrections has Information Technology and Knowledge Management Strategies that guide the management of technology and information within the Department. The Department's IT direction is also influenced by the wider E-govt and Justice Sector Information Strategies, especially following technology upgrades in the Ministry of Justice and work by other agencies on issues such as common networks and authentication technology.

The implementation of these four strategies seeks to optimise efficiency and effectiveness of systems, decision support, business processes, and provision of information.

During 2006/07, development of the internal computerised Integrated Offender Management System (IOMS) continued in accordance with the recommendations of the IOMS Review and the Information Technology Operational Strategy 2003–2008. These improvements aim to ensure that all cross-Service and inter-agency offender reintegration information is available in a timely, easily accessible and seamless manner. Major upgrades were introduced to improve department-wide and inter-agency offender reintegration information, to capture training completed by prisoners, and provide an interventions package covering scheduling, handover and payment of prisoners whilst in employment. Analysis and design was undertaken for a major upgrade to provide for the introduction of new community-based sentences as part of the Effective Interventions programme from October 2007.

Implementation of the internal Electronic Document and Record Management System (EDRMS) continued throughout the year. Enhancements were implemented to the data warehouse based on the recommendations of the 2005/06 review of the warehouse, including improvements to the flow of management information.

The Department continued to proactively support E-govt initiatives, including participating in relevant committees in order to emphasise the required joint ventures, procurement, technology standards, and identity. Work also continued with the Chief Information Officers forum aimed at leveraging resources across the State Sector and sharing knowledge.

Proactive support was provided to the implementation of Year One of the new Justice Sector Information Strategy, focusing on technology collaboration and the quality of information. This included contributing to the identity management initiative and progressing the

implementation of Rapid ID (finger scanning), due for introduction in December 2007. Work also progressed on interface changes to allow New Zealand Police to integrate fully into IOMS, and with New Zealand Police and the Ministry of Justice to analyse the interface requirements for the Effective Interventions programme.

As noted earlier in this report, work to develop appropriate functional systems to monitor prisoners' telephone calls progressed, in conjunction with the Crime Prevention Information Capability (CPIC) project to increase overall prison security. As part of this latter project, a new secure database was installed to allow collection and analysis of crime prevention data. Active trials of new technologies for electronic monitoring of offenders also continued during 2006/07 covering Global Positioning System (GPS) and Voice Verification systems.

## PHYSICAL ASSETS

In recent years, Corrections has managed its assets to accommodate a substantial increase in the offender population. This has seen Corrections capacity, particularly in its prisons, being occasionally exceeded, sometimes necessitating the use of police and court cells.

## NEW FACILITIES

Corrections has a major capital expenditure programme to build new facilities so it has the facilities to cope with the projected increase in the prison population over the next 10 to 15 years.

The first of four new corrections facilities, the 350-bed Northland Region Corrections Facility at Ngawha, opened in March 2005, and was operating at full capacity by October 2005.

During 2006/07, the Auckland Region Women's Corrections Facility, a 286-bed facility purpose-built for women prisoners in Manukau City, opened as scheduled with the first prisoners received on 2 August 2006. As at 30 June 2007, the facility held 255 prisoners.

Construction of the 335-bed Otago Corrections Facility, at Milburn, south of Dunedin, for male prisoners was completed by 31 March 2007, as scheduled and formally opened by the Prime Minister and Minister of Corrections on 10 May 2007. The first ten prisoners were received in the first week of June 2007 and 40 prisoners were on site by 30 June 2007. Given the excellent testing and

validation results and how well the initial build up of prisoners went, the prisoner build up was accelerated. The facility is expected to be operating at full capacity by November 2007.

Construction of the 650-bed Spring Hill Corrections Facility in North Waikato was completed with site handover taking place on 31 July 2007, as planned. Commissioning is on track. The facility is scheduled to be formally opened at the end of September 2007, with the first prisoners to be received in November 2007. The facility will be operating at full capacity by mid-2008.

### **ADDITIONAL BEDS AND UPGRADING OF OTHER FACILITIES AT EXISTING PRISONS**

During 2006/07, 200 additional beds were constructed at Rimutaka Prison (120 beds) and Christchurch Men's Prison (80 beds). Construction also continued (and will continue in the next two years) on additional support facilities at most existing prisons needed as a result of the extra beds introduced over the past few years.

A number of existing facilities are in the process of being upgraded to meet health and safety standards and to provide new drug treatment units and special treatment units as part of the Effective Interventions programme.

Corrections has a Capacity Planning Optimisation Model (CPOM) to determine the optimum building and decommissioning programme – when and where new prison beds are potentially required. The programme is then used to quantify the operating requirements – for example the number of custodial staff required and funding implications.

Following an assessment of current prison capacity and the condition of existing facilities under this programme, the redevelopment of Mt Eden prison has been announced and the Department has lodged an outline plan with Auckland City Council for the redevelopment of the site. This outline plan includes on-site redevelopment and potential expansion to meet future demand, if required.

## **SUSTAINABLE DEVELOPMENT**

The Department has been recognised for the practical work it is doing on sustainability. A revised Sustainability Action Plan has been developed. In 2007/08 an audit and review of the efficiency and sustainability of the Department's vehicle fleet will be carried out. Corrections will also revise its Energy Plan to continue the success we have had to date in achieving energy savings and reducing overall emissions. The Sustainability Action Plan also focuses on opportunities available in our procurement, waste management, and recycling practices across the Department and a review of its prison-based industries to identify specific actions to reduce the impact on the environment.

## **BUSINESS CONTINUITY PLANNING**

A major emergency event such as an avian influenza pandemic, earthquake, fire or flood would have a significant impact on Corrections for both offenders and staff.

In 2006/07, Corrections built on the work carried out in the previous year to develop a resourced plan to effectively manage through an influenza pandemic. It also continued to be an active participant in cross-government sector pandemic planning activity.

In May 2007, around 500 Corrections staff at 130 locations trialled some of its pandemic plans as part of the Ministry of Health-led Exercise Cruickshank. Corrections can take some reassurance and pride in the way our staff responded to the pandemic scenario and a measure of confidence in the Department's ability to face such an emergency.

The risk of an avian influenza pandemic in recent years has strengthened the need for robust emergency plans to cover any type of emergency and current business continuity plans.

Corrections has emergency plans and business continuity plans covering most emergency possibilities. These are now a major focus for improvement and updating.

Exercise Cruickshank identified areas for improvements to these plans as well as to the pandemic plans. Work is continuing within the Department on these improvements.

## NEW REGIONAL CORRECTIONS FACILITIES

Corrections established the Regional Prisons Development Project to construct four new corrections facilities to accommodate an increasing prison population. The new facilities have already added 971 beds to the prison system by 30 June 2007, and will add another 650 beds to the prison system during the 2007/08 financial year.

The new facilities are deliberately designed quite differently from traditional prisons. Traditional prisons were built to accommodate prisoners and not to focus on prisoners' rehabilitation or reintegration. The new facilities incorporate design and features that are intended to be most effective in terms of safety, security and rehabilitation. The design is consistent with modern prison design internationally, the Department's experience operating New Zealand prisons and consistent with the United Nations Standard Minimum Rules for the Treatment of Prisoners.

The new facilities are essentially large secure enclosures with a range of separate units set in a wide open space with a perimeter fence or wall. Accommodation units are clustered around centrally located services such as kitchens, industry areas and programme rooms. The entire facility is enclosed by a high secure perimeter fence with a single controlled point of entry. This secure perimeter allows a more open internal prison environment, where prisoners can move through a planned day. This protects the public and staff, reduces stress and prisoner management issues and provides a more effective environment for treatment, training and work programmes.

The active involvement of the community is important in the operation of the new facilities because of the significant role family, whānau and friends have in reducing re-offending and assisting prisoner reintegration into the community.



## CAPITAL EXPENDITURE

The following table outlines Corrections' capital expenditure programme as at 30 June 2007.

### Capital Expenditure Trends and Forecasts

	2007/08 Forecast (\$000)	2006/07 Actual (\$000)	2005/06 Actual (\$000)	2004/05 Actual (\$000)	2003/04 Actual (\$000)	2002/03 Actual (\$000)
Land and buildings						
New regional prisons	34,904	235,453	310,650	153,440	60,371	33,790
Prison expansion – additional beds and infrastructure works	44,000	44,149	70,880	28,200	–	24,060
Design options associated with the consideration of the future of Mt Eden Prison	4,500	2,496	980	520	–	–
Effective Interventions	24,200	1,330	–	–	–	–
Security projects, including fences	7,000	–	–	1,780	10,930	3,730
Health and safety work	15,321	1,088	8,880	15,920	1,993	5,410
Deferred maintenance work	10,000	21,315	17,100	18,930	12,457	3,230
Probation and Offender Services accommodation	12,000	4,162	2,320	3,680	1,703	2,570
<b>Sub-total</b>	<b>151,925</b>	<b>309,993</b>	<b>410,810</b>	<b>222,470</b>	<b>87,454</b>	<b>72,790</b>
Prisoner employment projects	5,321	4,679	2,600	3,490	5,118	5,450
Plant and machinery, equipment, motor vehicles, and furniture and fittings	12,690	6,242	5,390	6,450	6,560	4,470
Information technology	11,963	17,306	14,040	12,130	6,690	10,170
<b>Total</b>	<b>181,899</b>	<b>338,220</b>	<b>432,840</b>	<b>244,540</b>	<b>105,822</b>	<b>92,880</b>

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

## DEMONSTRATING COST-EFFECTIVENESS

Demonstrating cost-effectiveness is about assessing the costs of the key services Corrections delivers against the value those services add and the impact they have on society. Cost-effectiveness indicators that the Department currently monitors include:

- cost per prisoner per day
- cost per community-based offender per day
- prisoner to frontline prison staff ratio
- community-based offender to community-based operational staff ratio.

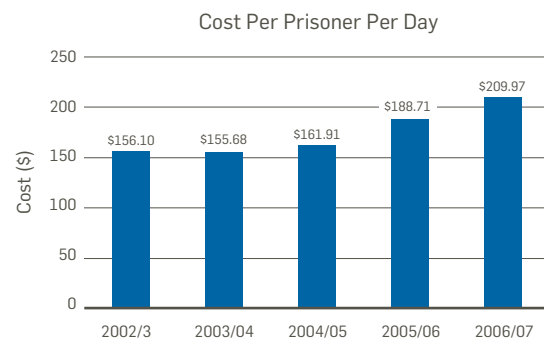
Whilst the Department has a very strong focus in the cost-effectiveness area, it will work to further develop its capability over the next year. Corrections will further develop both the cost-effectiveness indicators and the analysis around these to ensure these are the best indicators for demonstrating cost-effectiveness.

### COST PER PRISONER PER DAY

One component of determining the performance of the corrections system is an assessment of the costs of accommodating a prisoner. The cost per prisoner per day has increased from \$188.71 in the 2005/06 financial year to \$209.97 in the 2006/07 financial year.

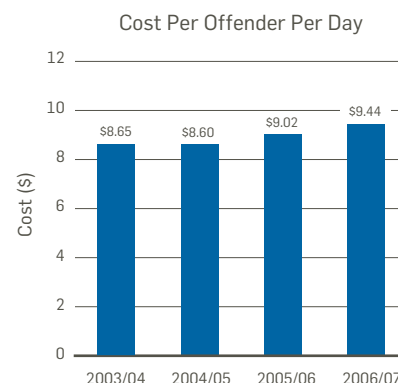
This increased cost was due to the operating cost implications of the significant capital investment over recent years needed to build additional prison facilities and to upgrade existing facilities to increase capacity to meet the forecast rise in prisoner numbers, as discussed under Physical Assets above. Without the increased capital costs, the cost per prisoner per day would have

only increased marginally due to inflation and the increase in salaries of Corrections Officers last year.



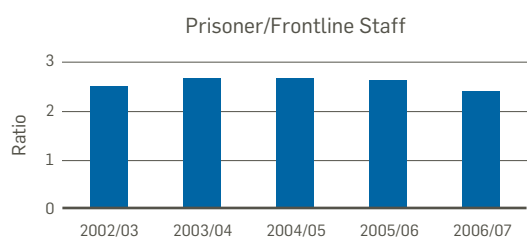
### COST PER COMMUNITY-BASED OFFENDER PER DAY

A related component of determining the performance of the corrections system is an assessment of the costs of managing community-based offenders. The cost per offender per day has increased by 4.65 per cent from \$9.02 in the 2005/06 financial year to \$9.44 in 2006/07. This increase was due to inflation, salary increases, increased staff numbers and costs related to the introduction of the new community-based sentences.



## RATIO OF PRISONERS TO FRONTLINE STAFF

The ratio of prisoners to full-time equivalent (FTE) frontline staff identifies the number of prisoners for each prison staff member and thus the level of staff supervision available to manage prisoners in custody. Prisoner/staff ratios impact on the experience of both prisoners and staff. Lower ratios allow prison staff to provide better supervision and more active management of prisoners. This improves security and allows more interaction and interventions tailored to individual prisoner needs and circumstances.



## RATIO OF COMMUNITY-BASED OFFENDERS TO OPERATIONAL STAFF

The ratio of community-based offenders to full-time equivalent (FTE) operational staff identifies the number of offenders for each staff member and thus the level of staff supervision available to manage offenders in the community.

A number of new staff were recruited in the last part of 2006/07 in anticipation of the changed sentencing regime from 1 October 2007. Because of the high levels of inexperience and as most of the new staff were engaged in training during that period, there was considerable pressure on experienced staff who had a disproportionate amount of offender management.



## BENCHMARKING

Corrections has benchmarked its performance with other countries for many years and has access to information that compares its performance across many of the services it delivers.

During 2006/07, Corrections focused on further building the relationship with the research taskforce of the International Roundtable for Correctional Excellence (IRCE) with the aim of improving the compatibility of information for comparison purposes.

Over the next year, Corrections will continue to work with other countries to bring more focus to the international benchmarking studies it is involved in, and to compare the processes used to deliver key services. This work will provide the foundation for much of the cost-effectiveness analysis that Corrections will undertake in the future.

Corrections is also working to increase its capability in assessing options for delivering services by using tools such as modelling, cost-benefit analysis and further development of the Outcomes Framework.



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**PART B**  
**FINANCIAL STATEMENTS**



## PART B

### ANNUAL FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE

#### CONTENTS

❖	STATEMENT OF RESPONSIBILITY	45
❖	AUDIT REPORT	46
❖	FINANCIAL STATEMENTS	49
❖	STATEMENT OF SERVICE PERFORMANCE	71

## PART B – ANNUAL FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE

<b>Statement Of Responsibility</b>	<b>45</b>
<b>Report Of The Auditor-General</b>	<b>46</b>
<b>Transition To New Zealand Equivalents to International Financial Reporting Standards</b>	<b>48</b>
<b>Financial Statements</b>	<b>49</b>
Statement of Accounting Policies	49
Statement of Financial Performance	52
Statement of Movement in Taxpayers' Funds	53
Statement of Financial Position	54
Statement of Cash Flows	55
Statement of Commitments	56
Statement of Contingent Liabilities	57
Statement of Unappropriated Expenditure	57
Statement of Departmental Expenditure and Capital Appropriations	58
Statement of Trust Monies	59
Notes to the Financial Statements	60
<b>Statement of Service Performance</b>	<b>69</b>
Output Class 1: Information Services	70
Output Class 2: Community-based Sentences and Orders	78
Output Class 3: Custody of Remand Prisoners	83
Output Class 4: Escorts and Custodial Supervision	85
Output Class 5: Custodial Services	87
Output Class 6: Prisoner Employment	96
Output Class 7: Rehabilitative Programmes and Reintegrative Services	103
Output Class 8: Services to the New Zealand Parole Board	121
Output Class 9: Policy Advice and Development	123
Output Class 10: Service Purchase and Monitoring	127

## STATEMENT OF RESPONSIBILITY

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

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

In my opinion, these financial statements fairly reflect the financial position and operations of the Department for the year ended 30 June 2007.

Signed



**Barry Matthews**

Chief Executive

28 September 2007

Countersigned



**John Bole**

General Manager

Business Information & Planning

28 September 2007

## AUDIT REPORT

### TO THE READERS OF THE DEPARTMENT OF CORRECTIONS' FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2007

The Auditor-General is the auditor of the Department of Corrections (the Department). The Auditor-General has appointed me, Stephen Lucy, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf. The audit covers the financial statements and statement of service performance included in the annual report of the Department for the year ended 30 June 2007.

#### Unqualified opinion

In our opinion:

The financial statements of the Department on pages 49 to 68:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - the Department's financial position as at 30 June 2007; and
  - the results of its operations and cash flows for the year ended on that date.

The statement of service performance of the Department on pages 69 to 133.

- complies with generally accepted accounting practice in New Zealand; and
- fairly reflects for each class of outputs:
  - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
  - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 28 September 2007, and is the date at which our opinion is expressed.

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

#### Basis of opinion

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

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

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

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

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

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

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

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

#### **Responsibilities of the Chief Executive and the Auditor**

The Chief Executive is responsible for preparing financial statements and a statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Department as at 30 June 2007 and the results of its operations and cash flows for the year ended on that date.

The statement of service performance must fairly reflect, for each class of outputs, the Department's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Chief Executive's responsibilities arise from sections 45A and 45B of the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 45D(2) of the Public Finance Act 1989.

#### **Independence**

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

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

- RPDP Assistance to Internal Audit
- Probity Assurance over the Community Detention Electronic Monitoring Services Project
- Review of Victim Notification System

which are compatible with those independence requirements. Since 30 June 2007 we have reviewed a Proposal not to Tender and commenced a review of the tender process for the provision of mechanical restraints.

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



#### **S B Lucy**

Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

**Matters relating to the electronic presentation of the audited financial statements**

This audit report relates to the financial statements of the Department of Corrections for the year ended 30 June 2007 included on the Department of Corrections' web site. The Department's Chief Executive is responsible for the maintenance and integrity of the Department of Corrections' web site. We have not been engaged to report on the integrity of the Department of Corrections' web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 28 September 2007 to confirm the information included in the audited financial statements presented on this web site.

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

## TRANSITION TO NEW ZEALAND EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

### Reason For Transition

The Accounting Standards Review Board announced in December 2002 that reporting entities must adopt the New Zealand International Financial Reporting Standards (NZ IFRS) for periods beginning after 1 January 2007. The Minister of Finance announced in 2003 that the Crown will first adopt the NZ IFRS for the financial year beginning 1 July 2007.

### Impact On the Department

The Department of Corrections has conducted an assessment of the impacts of the transition to the NZ IFRS. The areas of impact from adoption of the NZ IFRS may change as implementation progresses or standards are revised.

Under the IFRS, the Department of Corrections is classified as a Public Benefit Entity. This has affected the selection of accounting policies required or permitted under the NZ IFRS.

The Treasury gathered comparative information throughout the 2006/07 financial year in conjunction with existing reporting requirements.

The 2007/08 financial statements will require restatements so that the information presented is prepared on a consistent basis. The restatements will be the:

- 2006/07 comparative figures, and
- 1 July 2006 opening balance sheet.

Under the IFRS there will be a requirement to make the following recognitions, measurements, classifications and presentation adjustments to the 2007/08 Annual Report.

#### 1. Investments

In accordance with NZ IFRS 39: Financial Instruments: Recognition and Measurement, the Department's shares will be recognised at Fair Value.

#### 2. Biological assets

In accordance with NZ IAS 41: Agriculture, the Department will classify its livestock and forests as biological assets.

Previously, forests were treated as a separate class of asset within property, plant and equipment. Livestock was classified as a separate non-current asset.

#### 3. Intangible assets

In accordance with NZ IAS 38: Intangible Assets, the Department will classify its computer software as an intangible asset. Previously, computer software was treated as a separate class of asset within property, plant and equipment.

#### 4. ACC Partnership Scheme Liability

Under NZ IFRS 4: Insurance Contracts, the Department is required to recognise the liability for work-related injury claims under the ACC partnership programme. The Department will re-measure its liability and an increase in the liability will be recognised under NZ IFRS.

#### 5. Employee entitlements

In accordance with NZ IAS 19: Employee Benefits, the Department will recognise accumulating sick leave as a liability.

#### 6. Taxpayers' Funds – General Funds

In accordance with NZ IFRS 1: First-time adoption of NZ equivalents to International Financial Reporting Standards, adjustments required under transition to NZ IFRS will be adjusted directly to equity.

#### 7. Livestock

In accordance with NZ IAS 41: Agriculture, the previous revaluation reserve attributable to biological assets will be de-recognised and transferred to general funds.

## STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2007

### Reporting Entity

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

These are the financial statements of the Department of Corrections prepared pursuant to section 45 of the Public Finance Act 1989.

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

### Measurement System

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

## ACCOUNTING POLICIES

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

### Budget Figures

The Budget figures are those presented in the Statement of Intent (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates).

### Revenue

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

### Cost Allocation

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

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

### Debtors And Receivables

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

### Operating Leases

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

### Physical Assets

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

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

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

Land and buildings were revalued as at 30 June 2007.

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

Discontinued operations, disposals and assets held for sale are shown at fair value prior to being sold or disposed.

### Forests

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the Statement of Financial Performance.

The costs to maintain the forestry assets are included in the Statement of Financial Performance.

## STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2007

### 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 per cent 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:

<b>Buildings</b>		
Buildings – concrete	50 years	(2%)
Buildings – wood	25 years	(4%)
Buildings – fit-outs	3 to 20 years	(33.3% to 5%)
Hut complexes – concrete	50 years	(2%)
Hut complexes – wood	25 years	(4%)
Hut fit-outs	3 to 20 years	(33.3% to 5%)
<b>Leasehold Improvements</b>		
Leasehold improvements	10 years	(10%)
<b>Plant and Equipment</b>		
Plant and machinery	10 years	(10%)
Office equipment	5 years	(20%)
Tools and equipment	5 years	(20%)
<b>Furniture and Fittings</b>		
Furniture and fittings – office	5 years	(20%)
Furniture and fittings – prisoner	3 years	(33.3%)
<b>Computer Equipment</b>		
Information technology – network	5 years	(20%)
Information technology – specialised	3 to 10 years	(33.3% to 10%)
Information technology – PC based	3 years	(33.3%)
<b>Motor Vehicles</b>		
Motor vehicles – heavy duty	8 years	(12.5%)
Motor vehicles – other	5 years	(20%)

The useful life of buildings is reassessed following any revaluation.

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

### Inventory

Finished goods, raw materials and work in progress are valued at the lower of cost and 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 ACCOUNTING POLICIES

For the year ended 30 June 2007

### Statement of Cash Flows

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

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

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

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

### Livestock

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

### Investments

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

### Foreign Currency

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

### Financial Instruments

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

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

### Goods And Services Tax (GST)

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

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

### Taxation

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 2004. Accordingly, no charge for income tax has been provided for.

### Commitments

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

### Contingent Liabilities

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

### Taxpayers' Funds

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

### Changes In Accounting Policies

#### Forests

The Department's forestry assets are independently revalued annually at fair value less estimated point of sale costs.

Previously the independent annual revaluation was based on prices published by the Ministry of Agriculture and Forestry. The valuation has not resulted in any classification or presentation changes.

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

## STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2007

30/06/06 Actual (\$000)		Notes	30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
<b>REVENUE</b>					
628,902	Crown		742,619	698,078	742,619
5,926	Departmental		7,469	6,229	7,029
25,164	Other	1	28,643	25,998	27,998
9	Dividends		53	—	—
75	Interest		2	—	—
<b>660,076</b>	<b>Total operating revenue</b>		<b>778,786</b>	<b>730,305</b>	<b>777,646</b>
<b>EXPENDITURE</b>					
322,562	Personnel costs	2	378,131	344,398	383,657
191,574	Operating costs	3	206,529	197,101	206,778
62,492	Depreciation	4	77,318	80,223	78,023
82,076	Capital charge	5	103,286	108,583	109,188
<b>658,704</b>	<b>Total output expenses</b>		<b>765,264</b>	<b>730,305</b>	<b>777,646</b>
<b>1,372</b>	<b>Net surplus/(deficit)</b>		<b>13,522</b>	<b>—</b>	<b>—</b>

The accompanying accounting policies and notes form part of these financial statements.  
For information on major variances against budget refer to Note 16 (page 68).

## STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS

For the year ended 30 June 2007

30/06/06 Actual (\$000)		Notes	30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
953,302	<b>TAXPAYERS' FUNDS BROUGHT FORWARD AS AT 1 JULY</b>		1,272,152	1,346,849	1,272,152
	<b>Movements during the year (other than flows to and from the Crown)</b>				
1,372	Add/(deduct) net surplus/(deficit)		13,522	–	–
303	Increase/(decrease) in revaluation reserves	6	191,484	–	80,000
1,675	<b>Total recognised revenues and expenses for the period</b>		205,006	–	80,000
	<b>Adjustment for flows to and from the Crown</b>				
318,547	Add capital contributions from the Crown during the year	6	266,682	217,682	311,682
(1,372)	Provision for payment of surplus to the Crown		(13,522)	–	–
317,175	<b>Total adjustments for flows to and from the Crown</b>		253,160	217,682	311,682
1,272,152	<b>Taxpayers' funds at end of the year</b>		1,730,318	1,564,531	1,663,834

The accompanying accounting policies and notes form part of these financial statements.  
For information on major variances against budget refer to Note 16 (page 68).

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2007

30/06/06 Actual (\$000)		Notes	30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
<b>ASSETS</b>					
<b>Current Assets</b>					
20,044	Cash and bank balances		56,498	17,383	19,258
962	Prepayments		1,643	625	625
4,652	Debtors and receivables	7	7,037	4,050	5,684
5,176	Inventories		5,842	3,842	5,600
–	Assets available for sale	8	484	–	–
<b>30,834</b>	<b>Total current assets</b>		<b>71,504</b>	<b>25,900</b>	<b>31,167</b>
<b>Non-current assets</b>					
8,680	Livestock		8,666	8,350	8,680
6,645	Investments		6,563	6,608	6,563
1,367,315	Physical assets	8	1,794,413	1,662,172	1,768,613
<b>1,382,640</b>	<b>Total non-current assets</b>		<b>1,809,642</b>	<b>1,677,130</b>	<b>1,783,856</b>
<b>1,413,474</b>	<b>Total assets</b>		<b>1,881,146</b>	<b>1,703,030</b>	<b>1,815,023</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
88,603	Creditors and payables	9	73,426	95,649	96,339
2,839	Provisions	10	4,946	–	–
1,372	Provision for repayment of surplus to the Crown		13,522	–	–
38,503	Provision for employee entitlements	11	48,517	32,950	42,950
<b>131,317</b>	<b>Total current liabilities</b>		<b>140,411</b>	<b>128,599</b>	<b>139,289</b>
<b>Non-current liabilities</b>					
10,005	Provision for employee entitlements	11	10,417	9,900	11,900
<b>10,005</b>	<b>Total non-current liabilities</b>		<b>10,417</b>	<b>9,900</b>	<b>11,900</b>
<b>141,322</b>	<b>Total liabilities</b>		<b>150,828</b>	<b>138,499</b>	<b>151,189</b>
<b>TAXPAYERS' FUNDS</b>					
1,182,940	General funds	6	1,449,622	1,475,622	1,494,622
89,212	Revaluation reserves	6	280,696	88,909	169,212
<b>1,272,152</b>	<b>Total taxpayers' funds</b>		<b>1,730,318</b>	<b>1,564,531</b>	<b>1,663,834</b>
<b>1,413,474</b>	<b>Total liabilities and taxpayers' funds</b>		<b>1,881,146</b>	<b>1,703,030</b>	<b>1,815,023</b>

The accompanying accounting policies and notes form part of these financial statements.  
For information on major variances against budget refer to Note 16 (page 68).

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2007

30/06/06 Actual (\$000)		Notes	30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
	Cash provided from:				
	Supply of outputs to				
628,902	Crown		742,619	698,078	742,619
5,926	Departments		7,469	6,229	7,029
23,985	Other		26,310	25,998	27,080
	Cash disbursed to:				
(317,379)	Personnel		(367,705)	(344,398)	(383,657)
(201,267)	Operating		(201,527)	(197,101)	(195,827)
1,099	Net GST paid		4,101	–	–
(82,076)	Capital charge		(103,286)	(108,583)	(109,188)
<b>59,190</b>	<b>Net cash flows from operating activities</b>	<b>12</b>	<b>107,981</b>	<b>80,223</b>	<b>88,056</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
	Cash provided from:				
–	Sale of investments		83	–	–
737	Sale of physical assets		754	1,650	1,650
	Cash disbursed to:				
(366)	Purchase of investments		–	–	–
(438,429)	Purchase of physical assets		(337,674)	(313,696)	(400,802)
<b>(438,058)</b>	<b>Net cash flows from investing activities</b>		<b>(336,837)</b>	<b>(312,046)</b>	<b>(399,152)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
	Cash provided from:				
313,243	Capital contribution from the Crown		266,682	217,682	311,682
	Cash disbursed to:				
(167)	Payment of surplus to the Crown		(1,372)	–	(1,372)
<b>313,076</b>	<b>Net cash flows from financing activities</b>		<b>265,310</b>	<b>217,682</b>	<b>310,310</b>
<b>(65,792)</b>	<b>Net increase/(decrease) in cash held</b>		<b>36,454</b>	<b>(14,141)</b>	<b>(786)</b>
85,836	Opening total cash balances at 1 July		20,044	31,524	20,044
<b>20,044</b>	<b>Closing cash balances as of 30 June</b>		<b>56,498</b>	<b>17,383</b>	<b>19,258</b>

The accompanying accounting policies and notes form part of these financial statements.  
For information on major variances against budget refer to Note 16 (page 68).

## STATEMENT OF COMMITMENTS

As at 30 June 2007

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

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

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)
<b>Non-cancellable accommodation leases</b>		
8,365	Less than one year	8,365
6,437	One to two years	7,057
11,992	Two to five years	11,357
5,009	More than five years	5,226
<b>31,803</b>		<b>32,005</b>
<b>Commitments arising from other contracts</b>		
21,300	Less than one year	24,217
17,449	One to two years	17,647
19,511	Two to five years	11,074
–	More than five years	–
<b>58,260</b>		<b>52,938</b>
<b>Capital commitments</b>		
169,467	Less than one year	37,421
7,140	One to two years	1,406
–	Two to five years	–
–	More than five years	–
<b>176,607</b>		<b>38,827</b>
<b>266,670</b>	<b>Total commitments</b>	<b>123,770</b>

The decrease in capital commitments is largely due to contracts being completed for the construction of Otago Corrections Facility, Spring Hill Corrections Facility, and the building of additional beds at existing sites.

## STATEMENT OF CONTINGENT LIABILITIES

As at 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)
8,593	Legal proceedings	4,421
641	Personal grievances	1,002
<b>9,234</b>	<b>Total contingent liabilities</b>	<b>5,423</b>

The Department was defending 35 legal proceedings claims by prisoners and external parties as at 30 June 2007. They cover a range of areas, including breach of the NZ Bill of Rights Act 1990 and breach of contract.

The Department was also defending personal grievances made by 53 staff members.

## STATEMENT OF UNAPPROPRIATED EXPENDITURE

For the year ended 30 June 2007

There was no unappropriated expenditure in any of the output classes by the Department during the 2006/07 financial year.

## STATEMENT OF DEPARTMENTAL EXPENDITURE AND CAPITAL APPROPRIATIONS

For the year ended 30 June 2007

		30/06/07 Expenditure Actual (\$000)	30/06/07 Appropriation Voted** (\$000)
	Notes		
<b>VOTE: CORRECTIONS</b>			
<b>Appropriations for classes of outputs</b>			
Information Services		35,465	36,944
Community-based Sentences and Orders		83,692	86,872
Custody of Remand Prisoners		103,919	107,578
Escorts and Custodial Supervision		9,491	9,972
Custodial Services		435,910	436,586
Prisoner Employment		39,158	39,786
Rehabilitative Programmes and Reintegrative Services		46,126	47,489
Services to the New Zealand Parole Board		5,694	5,704
Policy Advice and Development		4,874	4,981
Service Purchase and Monitoring		1,612	1,734
<b>Total departmental output expenditure</b>		<b>765,941</b>	<b>777,646</b>
<b>Remeasurements*</b>	2 & 3	<b>(677)</b>	<b>–</b>
<b>Total departmental expenditure</b>		<b>765,264</b>	<b>777,646</b>
<b>Capital injections</b>		<b>266,682</b>	<b>266,682</b>

\* Remeasurements relate to the forestry revaluation of \$0.479 million and the long service and retirement leave valuation of (\$1.156 million). As per section 4(2) of the Public Finance Act, 'Expense does not include an expense that results from (a) a remeasurement of an asset or liability'.

\*\* These amounts include adjustments made in the Supplementary Estimates and the following In Principle Capital Transfer.

	Supplementary Estimates (\$000)	In Principle Capital Transfer (\$000)	Final Appropriation (\$000)
Capital Injections	311,682	(45,000)	266,682

The Department returned \$45 million of capital funding in 2006/07 due to a change in timing of some the Department's infrastructure programmes.

## STATEMENT OF TRUST MONIES

For the year ended 30 June 2007

Account	As at 01/07/06 (\$000)	Contribution (\$000)	Distribution (\$000)	As at 30/06/07 (\$000)
Prison Trust Accounts	546	12,431	(12,136)	841
	<b>546</b>	<b>12,431</b>	<b>(12,136)</b>	<b>841</b>

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

Trust Monies are not included in the Department's reported bank balances. Trust Monies are held on behalf of the prisoners in bank accounts maintained by the prisons (one bank account per prison).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

## NOTE 1: OTHER REVENUE

30/06/06		30/06/07	30/06/07	30/06/07
Actual		Actual	Main Estimates	Supp. Estimates
(\$000)		(\$000)	(\$000)	(\$000)
23,584	External sales	26,811	24,903	26,764
1,491	Rents	1,502	974	974
89	Miscellaneous	330	121	260
<b>25,164</b>	<b>Total other revenue</b>	<b>28,643</b>	<b>25,998</b>	<b>27,998</b>

## NOTE 2: PERSONNEL COSTS

30/06/06		30/06/07	30/06/07	30/06/07
Actual		Actual	Main Estimates	Supp. Estimates
(\$000)		(\$000)	(\$000)	(\$000)
320,731	Salaries and wages	375,624	343,683	382,232
1,831	Retirement and long service leave	2,507	715	1,425
<b>322,562</b>	<b>Total personnel costs</b>	<b>378,131</b>	<b>344,398</b>	<b>383,657</b>

The retiring and long service leave includes a remeasurement due to a change in discount rates of (\$1.156 million) between 30 June 2006 and 30 June 2007.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

## NOTE 3: OPERATING COSTS

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
11,354	Operating lease rentals	11,856	11,726	12,818
240	Audit fees to auditors for audit of the financial statements	270	240	280
–	Audit Fees for NZ IFRS Transition	23	–	25
175	Fees to auditors for other services provided	63	–	–
43,684	Facilities maintenance	46,388	39,992	45,302
62,075	Offender management costs	64,630	58,825	59,511
10,207	Computer costs	10,220	8,090	8,062
11,741	Contract management	11,962	11,666	11,839
28,172	Administration	32,104	45,604	37,088
66	Bad Debts	233	–	–
18,182	Other operating costs	27,413	20,958	31,853
4,830	Forestry (devaluation) / revaluation	479	–	–
848	Loss on sale of fixed assets	888	–	–
<b>191,574</b>	<b>Total operating costs</b>	<b>206,529</b>	<b>197,101</b>	<b>206,778</b>

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

## NOTE 4: DEPRECIATION

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
42,799	Buildings	55,577	60,723	55,799
1,239	Leasehold improvements	1,264	900	900
2,866	Plant and equipment	2,968	4,900	4,524
952	Furniture and fittings	1,025	1,500	1,800
11,214	Computer equipment	13,006	9,000	11,800
3,422	Motor vehicles	3,478	3,200	3,200
<b>62,492</b>	<b>Total depreciation charge</b>	<b>77,318</b>	<b>80,223</b>	<b>78,023</b>

## NOTE 5: CAPITAL CHARGE

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

The capital charge rate for the year ended 30 June 2007 was 7.5 per cent per annum (2006: 8.0 per cent).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

**NOTE 6: TAXPAYERS' FUNDS**

Taxpayers' Funds comprises two components:

**General Funds**

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
864,393	General funds as at 1 July	1,182,940	1,257,940	1,182,940
1,372	Net operating surplus/(deficit)	13,522	–	–
318,547	Capital contribution	266,682	217,682	311,682
319,919		280,204	217,682	311,682
(1,372)	Provision for repayment of surplus to the Crown	(13,522)	–	–
1,182,940	General funds as at 30 June	1,449,622	1,475,622	1,494,622

**Revaluation Reserve**

30/06/06 Total Actual (\$000)		30/06/07 Livestock (\$000)	30/06/07 Land (\$000)	30/06/07 Buildings (\$000)	30/06/07 Total Actual (\$000)
88,909	Balance brought forward	1,800	36,572	50,840	89,212
303	Revaluation changes at 30 June	368	28,916	162,200	191,484
89,212	Revaluation reserve as at 30 June	2,168	65,488	213,040	280,696

**NOTE 7: DEBTORS AND RECEIVABLES**

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)
2,935	Trade debtors	4,908
1,999	Other	2,181
(282)	Provision for doubtful debts	(52)
4,652	Total debtors and receivables	7,037

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

## NOTE 8: PHYSICAL ASSETS

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)
	<b>Freehold Land</b>	
221	At cost	–
111,840	At valuation – 30 June 2007	141,067
<b>112,061</b>	<b>Land – net book value</b>	<b>141,067</b>
	<b>Buildings</b>	
106,710	At cost	–
573,081	At valuation – 30 June 2007	1,164,468
(42,742)	Accumulated depreciation	–
<b>637,049</b>	<b>Buildings – net book value</b>	<b>1,164,468</b>
	<b>Leasehold Improvements</b>	
10,939	At cost	11,856
(4,974)	Accumulated depreciation	(6,223)
<b>5,965</b>	<b>Leasehold Improvements – net book value</b>	<b>5,633</b>
	<b>Forests</b>	
30,822	At valuation	29,396
<b>30,822</b>	<b>Forests – net book value</b>	<b>29,396</b>
	<b>Plant and Equipment</b>	
31,966	At cost	34,115
(19,903)	Accumulated depreciation	(21,460)
<b>12,063</b>	<b>Plant and Equipment – net market value</b>	<b>12,655</b>
	<b>Furniture and Fittings</b>	
7,895	At cost	8,925
(5,418)	Accumulated depreciation	(6,088)
<b>2,477</b>	<b>Furniture and Fittings – net book value</b>	<b>2,837</b>
	<b>Computer Equipment (incl software)</b>	
83,521	At cost	106,047
(54,917)	Accumulated depreciation	(67,733)
<b>28,604</b>	<b>Computer Equipment – net book value</b>	<b>38,314</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

## NOTE 8: PHYSICAL ASSETS (CONTINUED)

30/06/06		30/06/07
Actual		Actual
(\$000)		(\$000)
<b>Motor Vehicles</b>		
34,846	At cost	36,824
(19,991)	Accumulated depreciation	(21,032)
<b>14,855</b>	<b>Motor Vehicles – net book value</b>	<b>15,792</b>
<b>Items Under Construction</b>		
511,719	Buildings	377,464
11,700	Computer Equipment	6,787
<b>523,419</b>	<b>Items Under Construction – net book value</b>	<b>384,251</b>
<b>Total Physical Assets</b>		
1,515,260	At cost and valuation	1,916,949
(147,945)	Accumulated depreciation	(122,536)
<b>1,367,315</b>	<b>Total carrying amount of physical assets</b>	<b>1,794,413</b>

Freehold land and buildings were valued at fair value as at 30 June 2007 by an independent registered valuer, valuersnet.NZ. This valuation was certified by M W Lauchlan ANZIV SNZPI.

The valuation of forests was undertaken by an independent registered valuer, P F Olsen and Company Limited, on 30 June 2007. This valuation was completed by T Vos, registered forestry consultant, NZIF.

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

The Department classifies physical assets expected to be sold in the next 12 months as Assets Available for Sale.

## NOTE 9: CREDITORS AND PAYABLES

30/06/06		30/06/07
Actual		Actual
(\$000)		(\$000)
20,332	Trade creditors	21,623
67,879	Accrued expenses	47,310
392	GST payable	4,493
<b>88,603</b>	<b>Total creditors and payables</b>	<b>73,426</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

## NOTE 10: PROVISIONS

30/06/06 Total		30/06/07 Procurement	30/06/07 Restructure	30/06/07 Employee Accidents	30/06/07 Total
Actual \$000		Actual (\$000)	Actual (\$000)	Actual (\$000)	Actual (\$000)
1,984	Balance brought forward	546	–	2,293	2,839
2,293	Additional provisions made during the year	–	1,535	10,020	11,555
(1,438)	Charged against provision for the year	–	–	(9,448)	(9,448)
<b>2,839</b>	<b>Provisions as at 30 June</b>	<b>546</b>	<b>1,535</b>	<b>2,865</b>	<b>4,946</b>

Procurement – The provision has arisen as a result of changes to the Department's procurement system.

Restructure – The provision has arisen as a result of changes to the Department's organisational structure.

Employee Accidents – An employee provision for the estimated cost of future work-related accident claims and ACC residual levies for ongoing entitlement costs for claims prior to 30 June 1999.

## NOTE 11: PROVISION FOR EMPLOYEE ENTITLEMENTS

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)
<b>Current liabilities</b>		
12,187	Retirement and long service leave	14,567
26,316	Annual leave	33,950
<b>38,503</b>	<b>Total current portion</b>	<b>48,517</b>
<b>Non-current liabilities</b>		
10,005	Retirement and long service leave	10,417
<b>10,005</b>	<b>Total non-current portion</b>	<b>10,417</b>
<b>48,508</b>	<b>Total provision for employee entitlements</b>	<b>58,934</b>

Aon New Zealand revalues the Department's non-current liabilities on a quarterly basis.

The major assumptions used in the 30 June 2007 valuation are that salary growth rates are 3.0 per cent per annum and discount rates ranged from 6.65 per cent to 7.46 per cent per annum.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

**NOTE 12: RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES  
FOR THE YEAR ENDED 30 JUNE 2007**

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	30/06/07 Main Estimates (\$000)	30/06/07 Supp. Estimates (\$000)
1,372	<b>Net surplus/(deficit)</b>	13,522	–	–
	Add/(less) non-cash items			
62,492	Depreciation	77,318	80,223	78,023
196	Inc/(dec) in non-current employee entitlements	412	–	1,895
4,801	Inc/(dec) other non-cash items	862	–	82
<b>67,489</b>	<b>Total non-cash items</b>	<b>78,592</b>	<b>80,223</b>	<b>80,000</b>
	<b>Working capital movements</b>			
181	(Inc)/dec in receivables	(2,385)	–	(1,032)
(619)	(Inc)/dec in inventories	(666)	–	(424)
(10)	(Inc)/dec in prepayments	(681)	–	337
(15,058)	Inc/(dec) in creditors and payables	8,697	–	4,728
4,987	Inc/(dec) in current employee entitlements	10,014	–	4,447
<b>(10,519)</b>	<b>Working capital movements – net</b>	<b>14,979</b>	<b>–</b>	<b>8,056</b>
–	Add/(less) investing activity items	–	–	–
848	Net loss/(gain) on sale of physical assets	888	–	–
<b>848</b>	<b>Total investing activity items</b>	<b>888</b>	<b>–</b>	<b>–</b>
<b>59,190</b>	<b>Net cash flow from operating activities</b>	<b>107,981</b>	<b>80,223</b>	<b>88,056</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

### NOTE 13: FINANCIAL INSTRUMENTS

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

#### Cash

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

#### Credit risk

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

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

#### Fair value

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

#### Currency risk

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

#### Interest rate risk

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

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

### NOTE 14: CONTINGENCIES

The Department does not have any contingent assets as at 30 June 2007 (30 June 2006: nil).

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

### NOTE 15: RELATED PARTY INFORMATION

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

### NOTE 16: MAJOR BUDGET VARIATIONS

#### Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows And Statement of Departmental Expenditure and Appropriations

Revenue Crown, operating and personnel costs are more than projected in the Main Estimates process due to additional funding being appropriated as a result of the Effective Interventions project and 2006 bargaining round. This primarily impacted personnel costs as the Effective Interventions funding was for 70 Probation Officers and the 2006 bargaining round resulted in an average increase in salary for Corrections Officers of 14 per cent.

Physical assets and net cash flows from financing activities are more than projected in the Main Estimates process due to additional capital being received as a result of the Effective Interventions project.

Physical assets and revaluation reserves are more than projected in the Main Estimates process due to the revaluation of Land and Buildings at 30 June 2007.

The increase in cash is due to delays in the Department's capital programmes, primarily deferred maintenance and infrastructure development.

### NOTE 17: POST-BALANCE DATE EVENTS

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



## STATEMENT OF SERVICE PERFORMANCE

## STATEMENT OF SERVICE PERFORMANCE

For the year ended 30 June 2007

## OUTPUT CLASS 1

### INFORMATION SERVICES

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

This output class primarily contributes to the Departmental outcome of 'protecting the public'.

#### OUTPUT CLASS STATEMENT: INFORMATION SERVICES

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
<b>REVENUE</b>				
30,299	Crown	36,944	30,996	36,944
–	Other	–	–	–
<b>30,299</b>	<b>Total Revenue</b>	<b>36,944</b>	<b>30,996</b>	<b>36,944</b>
<b>29,866</b>	<b>Total Expenses</b>	<b>35,465</b>	<b>30,996</b>	<b>36,944</b>
<b>433</b>	<b>Net Surplus / (Deficit)</b>	<b>1,479</b>	<b>–</b>	<b>–</b>

**OUTPUT 1.1: SENTENCING INFORMATION AND ADVICE TO COURTS**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of reports to courts:	28,296	31,940	31,000	940
The number of hours for attendance at courts:	59,846	64,151	61,000	3,151
<b>QUALITY</b>				
The percentage of reports provided to the following standards contained in the relevant service descriptions and Probation and Offender Services Manual to be no less than:	94%	94%	95%	(1%)
<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 recommendations consistent with the law.</li> </ul>				
The number of written complaints from judges to be no more than:	5	3	15	12
<b>TIMELINESS</b>				
The percentage of reports to courts provided to a timetable set through service level agreements to be no less than:	96%	96%	98%	(2%)

**Comments**

The low number of written complaints was consistent with the low number of complaints in previous financial years and reflects good informal communication channels established between the Department and judiciary, which mean that judges do not have to resort to formal written complaints.

The number of reports to courts were 3 per cent above forecast and almost 13 per cent above the previous year, reflecting the increased number of offenders coming before the courts. This also resulted in an increase in the hours that Probation Officers spent at court, which were 5 per cent above forecast and 7 per cent above 2005/06 volumes. Despite these pressures, quality and timeliness standards were maintained.

**OUTPUT 1.2: PAROLE INFORMATION AND ADVICE TO THE NEW ZEALAND PAROLE BOARD**

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

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of New Zealand Parole Board pre-release reports prepared for prisoners:	4,575	5,183	4,600	583
QUALITY				
The percentage of New Zealand Parole Board pre-release reports provided to the following standards contained in the relevant service descriptions, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:	100%	97%	100%	(3%)
<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 prisoner'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 prisoner is involved in the development of his or her report.</li> </ul>				
TIMELINESS				
The percentage of New Zealand Parole Board pre-release reports provided within the deadlines set by the Board to be no less than:	96%	98%	100%	(2%)

**Comments**

The volume of pre-release reports completed was 13 per cent higher than forecast. This volume is demand-driven by requests for reports from the New Zealand Parole Board. A consequence of higher prisoner numbers than forecast is a higher number of prisoners becoming eligible for release, thereby increasing the number of pre-release reports requested. Despite the high number of reports completed, quality and timeliness results were in line with expectations.

**OUTPUT 1.3: HOME LEAVE REPORTS**

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

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of home leave reports:	616	462	900	(438)
<b>QUALITY</b>				
The percentage of home leave reports provided to the following standards contained in the relevant service description and Probation and Offender Services Manual to be no less than:	96%	97%	98%	(1%)
<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:	96%	96%	98%	(2%)

**Comments**

The number of home leave reports prepared was 49 per cent below forecast. This volume is demand-driven and is dependant on the number of prisoners who apply for home leave and is not controlled or influenced by the Department.

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

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

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of home detention specialist reports:	3,013	3,406	4,000	(594)
<b>QUALITY</b>				
The percentage of home detention specialist reports provided to the following standards contained in the relevant service description and Probation and Offender Services Manual to be no less than:				
	97%	98%	98%	0%
<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 the deadlines agreed with the New Zealand Parole Board to be no less than:				
	90%	92%	98%	(6%)

**Comments**

Home Detention specialist reports were 15 per cent below forecast. Demand for Home Detention specialist reports is driven by a number of factors, including the number of offenders given leave by the court to apply for Home Detention, the number of offenders who apply to the New Zealand Parole Board for Home Detention and the number of Home Detention reports subsequently requested by the New Zealand Parole Board.

The percentage of Home Detention specialist reports provided within the agreed deadlines was slightly below forecast due to a number of factors including staff workloads. However, timeliness of these reports has gradually improved over the last three financial years, from 88 per cent in 2004/05, 90 per cent in 2005/06 to 92 per cent in 2006/07.

### 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.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of New Zealand Parole Board reports:	1,121	980	900 <sup>1</sup>	80
The number of reports to courts:	151	118	100 <sup>2</sup>	18
<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:	100%	100%	100%	0%
The percentage of reports to courts provided to the following standards contained in the service descriptions and Psychological Service Manual to be no less than:	100%	100%	100%	0%
<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 agreed with the Board to be no less than:	100%	100%	100%	0%
The percentage of reports to courts provided to a timetable set through service level agreements to be no less than:	100%	100%	100%	0%

#### Comments

Revised forecasts for psychological reports to courts and the Parole Board were agreed with the Minister mid-year on the basis that the trend in previous years for a peak in the number of reports in the second half of the year would continue. While the numbers continued to increase in the second half of 2006/07, they did so without the peak of previous years.

The volume of psychological reports prepared for the Parole Board is demand-driven by requests from the Board within the context of its business rules and the provisions of Section 107 of the Parole Act 2002. The volume of reports exceeded the 2006/07 Statement of Intent forecast, however final numbers were 8 per cent below the revised forecast of 1,068.

The number of psychological reports prepared for courts is demand-driven and dependent upon requests from the Courts. The volume of reports exceeded the 2006/07 Statement of Intent forecast, however they were 21 per cent below the revised forecast of 150.

<sup>1</sup> Ministerial approval was received to revise this performance standard to 1,068.

<sup>2</sup> Ministerial approval was received to revise this performance standard to 150.

**OUTPUT 1.6: INFORMATION SERVICES FOR EXTENDED SUPERVISION ORDERS**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of health assessments completed on offenders for whom an extended supervision order is considered:	96	77	56	21
The number of extended supervision applications to courts:	47	42	56	(14)
The number of applications to the New Zealand Parole Board for special conditions (for offenders who are subject to an extended supervision order):	46	37	56	(19)
<b>QUALITY</b>				
The percentage of health assessments provided to the following standards to be no less than:	100%	100%	100%	0%
<ul style="list-style-type: none"> <li>• written assessments in a specified format</li> <li>• verification process specified</li> <li>• required information provided where available</li> <li>• clear statement of recommendations consistent with the law.</li> </ul>				
The percentage of applications to courts provided to the following standards to be no less than:	100%	100%	100%	0%
<ul style="list-style-type: none"> <li>• written assessments in a specified format</li> <li>• verification process specified</li> <li>• required information provided where available</li> <li>• clear statement of recommendations consistent with the law.</li> </ul>				
The percentage of reports to the New Zealand Parole Board provided to the following standards to be no less than:	100%	100%	100%	0%
<ul style="list-style-type: none"> <li>• written assessments in a specified format</li> <li>• verification process specified</li> <li>• required information provided where available</li> <li>• clear statement of recommendations consistent with the law.</li> </ul>				

TIMELINESS	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The percentage of health assessments provided within deadlines to be no less than:	new measure	100%	100%	0%
The percentage of applications to courts made in accordance with departmental timeframes to be no less than:	100%	100%	100%	0%
The percentage of applications to the New Zealand Parole Board provided within deadlines agreed with the Board to be no less than:	100%	100%	100%	0%

#### Comments

All child-sex offenders are assessed by a psychologist prior to their first appearance before the Parole Board, and a significantly greater number than anticipated (38 per cent above forecast) were assessed as 'sufficiently high-risk' to warrant a health assessment for Extended Supervision.

Extended Supervision applications to the courts and applications to the New Zealand Parole Board for special conditions were below forecast for the year. The number of Extended Supervision applications to the courts is demand-driven, and applications to the Parole Board for special conditions are determined by the number of Extended Supervision applications to courts. The number of Extended Supervision applications prepared can fluctuate, but due to the serious nature of this offending, the forecast is set to ensure the Department has the capacity to respond to cases as they arise.

For the year ended 30 June 2007

## OUTPUT CLASS 2 COMMUNITY-BASED SENTENCES AND ORDERS

This output class provides for the management and delivery of community-based sentences and orders through sentence management and sentence compliance services. Included as part of these services are the sentences of Supervision and Community Work and orders such as Home Detention, parole, Post-Release conditions and Extended Supervision for serious child-sex offenders.

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

It provides for an estimated 42,606 new sentences and orders, and primarily contributes to the Departmental outcome of 'protecting the public'.

### OUTPUT CLASS STATEMENT: COMMUNITY-BASED SENTENCES AND ORDERS

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
<b>REVENUE</b>				
72,217	Crown	85,372	75,040	85,372
–	Departmental	–	700	1,500
<b>72,217</b>	<b>Total Revenue</b>	<b>85,372</b>	<b>75,740</b>	<b>86,872</b>
<b>69,844</b>	<b>Total Expenses</b>	<b>83,692</b>	<b>75,740</b>	<b>86,872</b>
<b>2,373</b>	<b>Net Surplus / (Deficit)</b>	<b>1,680</b>	<b>–</b>	<b>–</b>

**OUTPUT 2.1: SUPERVISION**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of supervision sentences:	5,565	6,359	5,000	1,359
QUALITY				
The percentage of offenders who comply with the special conditions imposed as part of their sentence to be no less than:	74%	74%	68%	6%

**Comments**

The number of Supervision sentences was 27 per cent above the forecast of 5,000. The number of Supervision sentences is demand-driven by rates of arrest, judicial decisions and pre-sentence reports recommending Supervision.

The percentage of offenders who complied with special conditions imposed as part of their sentence continued to exceed expectations, despite the greater than expected volume of Supervision sentences. Compliance is influenced by a wide range of variables that are not easily quantifiable and it is difficult to attribute the impact of any one particular factor to the overall positive result. Factors can include:

- individual offender characteristics, for example, age, offending history, current personal circumstances, motivation to address offending
- the number and complexity of special conditions to be complied with (eg attendance at programmes, non-association orders, residential/employment restrictions)
- continued improvement in the skills and experience of Probation Officers, together with their commitment and efforts to ensure offenders focus on sentence compliance.

## 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.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of community work sentences:	28,400	31,387	29,000	2,387
QUALITY				
The percentage of offenders who successfully complete a community work sentence to be no less than:	74%	75%	70%	5%

### Comments

The number of Community Work sentences was 8 per cent above the forecast of 29,000. The number of Community Work sentences imposed varies dependent upon rates of arrest, the nature of offending and judicial decisions. Despite the high volume of Community Work sentences, successful completions were not compromised.

## OUTPUT 2.3: HOME DETENTION ORDERS

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of offenders directed to complete a home detention order:	1,293	1,517	2,200	(683)
QUALITY				
The percentage of offenders who abscond from home detention to be no more than:	1%	1%	2%	(1%)
The percentage of offenders who comply with the special conditions imposed as part of their order to be no less than:	93%	90%	80%	10%

### Comments

The number of offenders directed to complete a Home Detention order was 31 per cent below the forecast of 2,200. The number of offenders directed to complete a Home Detention order is determined by the decisions of the courts and the New Zealand Parole Board.

Compliance with special conditions is influenced by a wide range of variables that are not easily quantifiable and it is difficult to attribute the impact of any one particular factor to the overall positive result. Factors can include:

- individual offender characteristics, for example, age, offending history, current personal circumstances, motivation to address offending
- the number and complexity of special conditions to be complied with (eg attendance at programmes, non-association orders, residential/employment restrictions).

**OUTPUT 2.4: PAROLE ORDERS**

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

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of prisoners directed to complete a parole order:	1,244	1,451	1,100	351
QUALITY				
The percentage of offenders who comply with the special conditions imposed as part of their order to be no less than:	71%	69%	65%	4%

**Comments**

The number of prisoners directed to complete a parole order was 32 per cent above the forecast of 1,100. The number of prisoners directed to complete a parole order is determined by decisions made by the New Zealand Parole Board, and is beyond the ability of the Department to control. Despite the high volume of parole orders, offenders' compliance with special conditions were not compromised.

**OUTPUT 2.5: ORDERS FOR POST-RELEASE CONDITIONS**

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

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of prisoners released on post-release conditions imposed by the court:	4,819	4,867	5,250	(383)
QUALITY				
The percentage of offenders who comply with the conditions imposed as part of their order to be no less than:	67%	65%	65%	0%

**Comments**

The number of prisoners released on Post-release Conditions imposed by the court was 7 per cent below expectations. The number of prisoners released on Post-release Conditions is determined by decisions made by the Courts, and is beyond the ability of the Department to control.

**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.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of offenders commencing an extended supervision order:	45	38	56	(18)
The number of offenders subject to an extended supervision order at 30 June:	62	91	168	(77)
<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 Community Probation Service Operations Manual to be no less than:	97%	80%	100%	(20%)

**Comments**

The number of offenders who commenced an Extended Supervision order was 32 per cent below forecast for the year. This volume is demand-driven and is dependent upon judicial decisions. The number of Extended Supervision orders applied for (and granted) can fluctuate, but due to the serious nature of the offending, the forecast is set to ensure the Department has the capacity to respond to cases as they arise.

The number of offenders subject to an Extended Supervision order on the reporting date was in line with the lower number of offenders commencing in order, and was also due to the number of Extended Supervision orders that were suspended when offenders were re-imprisoned (includes imprisonment on remand and on sentence for further criminal charges or breach of extended supervision).

Sentence management results were 20 per cent below the forecast of 100 per cent. While there were very few failures to action sentence plans to meet timeframes, the small number of new sentence plans for Extended Supervision means that these form a relatively high proportion. The small number of delayed sentence plans were due to increased volumes and pressure on timeframes; these delays were promptly addressed.

For the year ended 30 June 2007

### OUTPUT CLASS 3 CUSTODY OF REMAND PRISONERS

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

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

This output class primarily contributes to the Departmental outcome of 'protecting the public'.

#### OUTPUT CLASS STATEMENT: CUSTODY OF REMAND PRISONERS

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
<b>REVENUE</b>				
84,350	Crown	107,578	95,178	107,578
–	Other	–	–	–
<b>84,350</b>	<b>Total Revenue</b>	<b>107,578</b>	<b>95,178</b>	<b>107,578</b>
<b>84,678</b>	<b>Total Expenses</b>	<b>103,919</b>	<b>95,178</b>	<b>107,578</b>
<b>(328)</b>	<b>Net Surplus / (Deficit)</b>	<b>3,659</b>	<b>–</b>	<b>–</b>

**OUTPUT 3.1: CUSTODY OF REMAND PRISONERS**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The average number of remand prisoners:	1,342 <sup>3</sup>	1,543 <sup>4</sup>	1,633 <sup>5</sup>	(90)
The number of Public Prisons Service remand prisoners comprises				
• Male remand prisoners:	new measure	1,422	1,509	(87)
• Female remand prisoners:	new measure	93	95	(2)
• Remand prisoners in the Young Offenders Units:	new measure	28	29	(1)
<b>QUALITY</b>				
The number of breakout escapes per annum to be:	1	3	n/a <sup>6</sup>	n/a
The number of all other escapes per annum to be:	0	1	n/a <sup>7</sup>	n/a

**Comments**

The average number of remand prisoners held in custody is influenced by rates of arrests and decisions of the judiciary and is outside the Department's control. The total average number of remand prisoners over the year was 6 per cent below forecast, with the latter reflecting the Ministry of Justice Prison Population Forecast.

Internal Audit and the Prison Inspectorate reviewed the circumstances of each escape, and the Department put in place their recommendations to ensure the risk of escapes under these circumstances is mitigated.

<sup>3</sup> On average, a further 55 prisoners were held in Police and court cells.

<sup>4</sup> On average, a further 65 prisoners were held in Police cells.

<sup>5</sup> Derived from the Ministry of Justice Prison Population Forecast.

<sup>6</sup> No forecast was included in the 2006/07 Statement of Intent.

<sup>7</sup> No forecast was included in the 2006/07 Statement of Intent.

For the year ended 30 June 2007

## OUTPUT CLASS 4 ESCORTS AND CUSTODIAL SUPERVISION

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

This output class primarily contributes to the Departmental outcome of 'protecting the public'.

### OUTPUT CLASS STATEMENT: ESCORTS AND CUSTODIAL SUPERVISION

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
<b>REVENUE</b>				
8,323	Crown	9,972	9,054	9,972
–	Other	–	–	–
<b>8,323</b>	<b>Total Revenue</b>	<b>9,972</b>	<b>9,054</b>	<b>9,972</b>
<b>7,976</b>	<b>Total Expenses</b>	<b>9,491</b>	<b>9,054</b>	<b>9,972</b>
<b>347</b>	<b>Net Surplus / (Deficit)</b>	<b>481</b>	<b>–</b>	<b>–</b>

**OUTPUT 4.1: ESCORT SERVICES**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of prisoners escorted to and from court in				
• Northland/Auckland (including Police escorts) <sup>8</sup> :	37,294	39,221	39,800 <sup>10</sup>	(579)
• remainder of New Zealand (excluding Police escorts) <sup>9</sup> :	8,686	9,832	9,000	832
<b>QUALITY</b>				
The number of escapes by prisoners during escort to and from court:	3	0	n/a <sup>11</sup>	n/a

**Comments**

The forecast for the number of prisoners escorted to and from court in Northland/Auckland was revised mid-year with Ministerial approval to reflect the volumes outlined in the contract with the provider.

The number of prisoner escorts was 32 per cent above the revised forecast in Northland/Auckland and 9 per cent above forecast for the remainder of New Zealand. The number of prisoners escorted to and from court is initially influenced by rates of arrests and decisions of the judiciary and is outside the Department's control.

Despite the high volume of prisoners escorted, no prisoners escaped while on escort during the year.

**OUTPUT 4.2: COURTROOM CUSTODIAL SUPERVISION SERVICES**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of prisoners supervised in courts in:				
• Northland/Auckland <sup>12</sup> :	9,520	11,483	10,000 <sup>14</sup>	(1,483)
• remainder of New Zealand <sup>13</sup> :	9,326	10,025	10,250	(225)
<b>QUALITY</b>				
The number of escapes by prisoners during escort to and from court:	1	0	n/a <sup>15</sup>	n/a

**Comments**

The forecast for the number of prisoners supervised in courts in Northland/Auckland was revised mid-year with Ministerial approval to reflect the volumes outlined in the contract with the provider.

The number of prisoners supervised in courts was 54 per cent above the revised forecast in Northland/Auckland, while for the remainder of New Zealand the number of prisoners supervised in courts was 2 per cent below forecast. The number of prisoners supervised in courts is initially influenced by rates of arrests and decisions of the judiciary and is outside the Department's direct control.

Despite the high volume of prisoners supervised in courts in the Northland/Auckland region, no prisoners escaped during the year.

For the year ended 30 June 2007

## OUTPUT CLASS 5 CUSTODIAL SERVICES

This output class covers the provision of custodial services and the administration of custodial sentences in safe, secure and humane conditions for both male and female prisoners classified as maximum, medium and minimum security. Youth under 18 years of age and vulnerable 18- to 19-year-olds will be housed in specialist Young Offenders Units. Also included are the management of other specialist facilities and the Department's drug reduction strategy.

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

This output class primarily contributes to the Departmental outcome of 'protecting the public'.

### OUTPUT CLASS STATEMENT: CUSTODIAL SERVICES

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
<b>REVENUE</b>				
364,035	Crown	431,057	420,027	431,057
4,819	Departmental	6,015	5,529	5,529
<b>368,854</b>	<b>Total Revenue</b>	<b>437,072</b>	<b>425,556</b>	<b>436,586</b>
<b>370,622</b>	<b>Total Expenses</b>	<b>435,910</b>	<b>425,556</b>	<b>436,586</b>
<b>(1,768)</b>	<b>Net Surplus / (Deficit)</b>	<b>1,162</b>	<b>–</b>	<b>–</b>

#### Footnotes for page 86

<sup>8</sup> Provided by Chubb New Zealand Limited.

<sup>9</sup> Provided by the Public Prisons Service.

<sup>10</sup> Ministerial approval was received to revise this performance standard to 29,760.

<sup>11</sup> No forecast was included in the 2006/07 Statement of Intent.

<sup>12</sup> Provided by Chubb New Zealand Limited.

<sup>13</sup> Provided by the Public Prisons Service.

<sup>14</sup> Ministerial approval was received to revise this performance standard to 7,440.

<sup>15</sup> No forecast was included in the 2006/07 Statement of Intent.

**OUTPUT 5.1: MAXIMUM SECURITY MEN**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The average number of maximum security sentenced prisoners:	68	63	61 <sup>16</sup>	2
<b>QUALITY</b>				
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:	85%	71%	100%	(29%)
<ul style="list-style-type: none"> <li>• on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action</li> <li>• assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available</li> <li>• the prisoner is placed into the appropriate work/programme</li> <li>• the prisoner attends the allocated work/programme</li> <li>• all information is recorded and filed on the prisoner's file</li> <li>• sentence management plans are reviewed as per the plan.</li> </ul>				
The number of breakout escapes per annum:	0	0	n/a <sup>17</sup>	n/a
The number of all other escapes per annum:	0	0	n/a <sup>18</sup>	n/a

**Comments**

The number of maximum security prisoners is initially influenced by rates of arrests and decisions of the judiciary. Thereafter the national system for security classification is objectively applied to all prisoners and actual numbers in each classification is largely outside the control of the Department.

The proportion of prisoners with sentence plans is lower than last year; however this difference represents only a small number of prisoners. The number of prisoners without a sentence plan included those who did not require a sentence plan or who for a variety of operational reasons had not yet received a plan (eg refused, sick, held off-site, psychologically unstable, witness protection etc).

<sup>16</sup> Derived from the Ministry of Justice Prison Population Forecast.

<sup>17</sup> No forecast was included in the 2006/07 Statement of Intent.

<sup>18</sup> No forecast was included in the 2006/07 Statement of Intent.

**OUTPUT 5.2: MEDIUM SECURITY MEN**

This output provides for the safe, secure and humane confinement of adult male prisoners (excluding young offenders accommodated in the Department's Young Offenders Units) classified as high medium or low medium security. It incorporates the costs of accommodation, security, sentence management (including assessment), food and medical care.

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The average number of medium security sentenced prisoners:	2,700 <sup>19</sup>	2,945	2,643 <sup>20</sup>	302
<b>QUALITY</b>				
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:				
	86%	89%	100%	(11%)
<ul style="list-style-type: none"> <li>• on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action</li> <li>• assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available</li> <li>• the prisoner is placed into the appropriate work/programme</li> <li>• the prisoner attends the allocated work/programme</li> <li>• all information is recorded and filed on the prisoner's file</li> <li>• sentence management plans are reviewed as per the plan.</li> </ul>				
The number of breakout escapes per annum:	4	5	n/a <sup>21</sup>	n/a
The number of non-returns from temporary release per annum:	0	0	n/a <sup>22</sup>	n/a
The number of all other escapes per annum:	3	2	n/a <sup>23</sup>	n/a

<sup>19</sup> On average, a further 21 prisoners were held in Police and court cells.

<sup>20</sup> Derived from the Ministry of Justice Prison Population Forecast.

<sup>21</sup> No forecast was included in the 2006/07 Statement of Intent.

<sup>22</sup> No forecast was included in the 2006/07 Statement of Intent.

<sup>23</sup> No forecast was included in the 2006/07 Statement of Intent.

**OUTPUT 5.2: MEDIUM SECURITY MEN (CONTINUED)****Comments**

The number of medium security prisoners is initially influenced by rates of arrests and decisions of the judiciary. Thereafter the national system for security classification is objectively applied to all prisoners and actual numbers in each classification is largely outside the control of the Department. The average number of medium security prisoners was 11 per cent above forecast levels, the latter reflecting the Ministry of Justice Prison Population Forecast.

The proportion of prisoners with sentence plans followed the trend from last financial year and was 11 per cent below forecast. The number of prisoners without a sentence plan included those who did not require a sentence plan or who for a variety of operational reasons had not yet received a plan (eg refused, sick, held off-site, psychologically unstable, witness protection etc). It is likely that prisoner population pressures also contributed to delays in completing sentence plans.

Internal Audit and the Prison Inspectorate reviewed the circumstances of each escape, and the Department put in place their recommendations to ensure the risk of escapes under these circumstances is mitigated.

**OUTPUT 5.3: MINIMUM SECURITY MEN**

This output provides for the safe, secure and humane confinement of adult male prisoners (excluding young offenders accommodated in the Department's Young Offenders Units) classified as minimum security. It incorporates the costs of accommodation, security, sentence management (including assessment), food and medical care.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The average number of minimum security sentenced prisoners:	2,746 <sup>24</sup>	2,718	2,754 <sup>25</sup>	(36)
QUALITY				
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:	91%	92%	100%	(8%)
• on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action				

QUALITY (CONTINUED)	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
<ul style="list-style-type: none"> <li>• assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available</li> <li>• the prisoner is placed into the appropriate work/programme</li> <li>• the prisoner attends the allocated work/programme</li> <li>• all information is recorded and filed on the prisoner's file</li> <li>• sentence management plans are reviewed as per the plan.</li> </ul>				
The number of breakout escapes per annum:	3	0	n/a <sup>26</sup>	n/a
The number of non-returns from temporary release per annum:	1	0	n/a <sup>27</sup>	n/a
The number of all other escapes per annum:	5	7	n/a <sup>28</sup>	n/a

### Comments

The forecast for the number of minimum security sentenced prisoners was revised mid-year to 2,745 with Ministerial approval to correct a typographical error in the 2006/08 Statement of Intent.

The number of minimum security prisoners is initially influenced by rates of arrests and decisions of the judiciary. Thereafter the national system for security classification is objectively applied to all prisoners and actual numbers in each classification is largely outside the control of the Department.

The proportion of prisoners with sentence plans continues to follow the trend from last financial year. The number of prisoners without a sentence plan included those who did not require a sentence plan or who for a variety of operational reasons had not yet received a plan (eg refused, sick, held off-site, psychologically unstable, witness protection etc).

Internal Audit and the Prison Inspectorate reviewed the circumstances of each escape, and the Department put in place their recommendations to ensure the risk of escapes under these circumstances is mitigated.

<sup>24</sup> On average, a further 10 prisoners were held in Police and court cells.

<sup>25</sup> Ministerial approval was received to revise this performance standard to 2,745. Derived from the Ministry of Justice Prison Population Forecast.

<sup>26</sup> No forecast was included in the 2006/07 Statement of Intent.

<sup>27</sup> No forecast was included in the 2006/07 Statement of Intent.

<sup>28</sup> No forecast was included in the 2006/07 Statement of Intent.

**OUTPUT 5.4: WOMEN**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The average number of medium security sentenced prisoners:	114	130	104	26
The average number of minimum security sentenced prisoners:	236	242	214	28
<b>The average number of female sentenced prisoners:</b>	<b>350</b>	<b>372</b>	<b>318<sup>29</sup></b>	<b>54</b>
<b>QUALITY</b>				
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:				
	75%	97%	100%	(3%)
<ul style="list-style-type: none"> <li>on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action</li> <li>assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available</li> <li>the prisoner is placed into the appropriate work/programme</li> <li>the prisoner attends the allocated work/programme</li> <li>all information is recorded and filed on the prisoner's file</li> <li>sentence management plans are reviewed as per the plan.</li> </ul>				
The number of breakout escapes per annum:	0	0	n/a <sup>30</sup>	n/a
The number of non-returns from temporary release per annum:	0	0	n/a <sup>31</sup>	n/a
The number of all other escapes per annum:	0	1	n/a <sup>32</sup>	n/a

<sup>29</sup> Derived from the Ministry of Justice Prison Population Forecast.

<sup>30</sup> No forecast was included in the 2006/07 Statement of Intent.

<sup>31</sup> No forecast was included in the 2006/07 Statement of Intent.

<sup>32</sup> No forecast was included in the 2006/07 Statement of Intent.

## Comments

The number of female prisoners is initially influenced by rates of arrests and decisions of the judiciary. Thereafter the national system for security classification is objectively applied to all prisoners. The average number of female prisoners was 17 per cent above forecast levels, the latter reflecting the Ministry of Justice Prison Population Forecast.

The proportion of prisoners with sentence plans has improved on last year as a result of improved sentence planning resources associated with the opening of the Auckland Region Womens' Corrections Facility.

Internal Audit and the Prison Inspectorate reviewed the circumstances of this escape, and the Department put in place their recommendations to ensure the risk of escapes under these circumstances is mitigated.

## OUTPUT 5.5: MALE YOUTH

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The average number of medium security sentenced male youth prisoners:	new measure	56	82	(26)
The average number of minimum security sentenced male youth prisoners:	new measure	37	50	(13)
<b>The average number of male sentenced youth prisoners held in the Young Offender Units:</b>	<b>118</b>	<b>93</b>	<b>132<sup>33</sup></b>	<b>(39)</b>
<b>QUALITY</b>				
The percentage of sentenced prisoners, who are eligible and have met the Department's criteria for sentence planning, with prisoner management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:				
	92%	93%	100%	(7%)
<ul style="list-style-type: none"> <li>on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action</li> </ul>				

<sup>33</sup> Derived from the Ministry of Justice Prison Population Forecast.

**OUTPUT 5.5: MALE YOUTH (CONTINUED)**

QUALITY (CONTINUED)	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
<ul style="list-style-type: none"> <li>• assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available</li> <li>• the prisoner is placed into the appropriate work/programme</li> <li>• the prisoner attends the allocated work/programme</li> <li>• all information is recorded and filed on the prisoner's file</li> <li>• sentence management plans are reviewed as per the plan.</li> </ul>				
The number of breakout escapes per annum from Young Offender Units:	0	0 <sup>34</sup>	n/a <sup>35</sup>	n/a
The number of all other escapes per annum from Young Offender Units:	0	0	n/a <sup>36</sup>	n/a

**Comments**

The number of male youth prisoners is initially influenced by rates of arrests and decisions of the judiciary. Thereafter the national system for security classification is objectively applied to all prisoners. The average number of male youth prisoners was 30 per cent below forecast levels, the latter reflecting the Ministry of Justice Prison Population Forecast.

The proportion of prisoners with sentence plans continued to follow the trend from the last financial year. The number of prisoners without a sentence plan included those who did not require a sentence plan or who for a variety of operational reasons had not yet received a plan (eg refused, sick, held off-site, psychologically unstable, witness protection etc).

<sup>34</sup> As reported in Output 3.1, there were two breakout escapes by remand male youth prisoners from Young Offender Units.

<sup>35</sup> No forecast was included in the 2006/07 Statement of Intent.

<sup>36</sup> No forecast was included in the 2006/07 Statement of Intent.

**OUTPUT 5.6: DRUG REDUCTION**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of general random drug screening tests carried out to be no less than:	3,423	3,451	3,744	(293)
The number of random drug screening tests carried out on prisoners returning from temporary release to be no less than:	313	282	364	(82)
The number of random drug screening tests carried out on identified drug users to be no less than:	1,961	1,970	2,340	(370)
The number of other drug screening tests carried out to be no less than: <sup>37</sup>	6,020	6,733	5,638	1,095
<b>QUALITY</b>				
The annual average percentage of general random drug screening tests producing a positive result to be no more than:	15%	13%	16%	(3%)
The annual average percentage of random drug screening tests of prisoners returning from temporary release producing a positive result:	11%	10%	n/a <sup>38</sup>	n/a
The annual average percentage of random drug screening tests of identified drug users producing a positive result:	31%	26%	n/a <sup>39</sup>	n/a
The annual average percentage of other drug screening tests producing a positive result:	new measure	19%	n/a <sup>40</sup>	n/a

**Comments**

Total drug screening tests carried out on prisoners exceeded forecast by 350 tests (3 per cent), and tests other than random tests exceeded forecast by almost 20 per cent. Volumes of these 'other' tests, which are carried out on reasonable grounds or on a voluntary basis, made up over 50 per cent of all tests. The increased number of 'other' tests result from greater focus on prisoners being drug- and alcohol-free to allow their participation in employment and self-care activities.

Lower test volumes than forecast amongst random test categories were affected by a sampling error, and although the issue was resolved the number of tests performed on prisoners in these categories did not meet forecast.

The average percentage of general random drug screening tests that returned a positive result was 13 per cent. This was 3 per cent below the target of 16 per cent, and 2 per cent below the 2005/06 average of 15 per cent. The result for random tests on prisoners returning from temporary release was 10 per cent, 1 per cent lower than 2005/06, while the average for random tests on identified drug users was 26 per cent, 5 per cent below the previous year. These improved results can be attributed to the greater influence of drug reduction activities within prisons.

<sup>37</sup> Other drug screening tests are defined as those undertaken on reasonable grounds or on a voluntary basis.

<sup>38</sup> No forecast was included in the 2006/07 Statement of Intent.

<sup>39</sup> No forecast was included in the 2006/07 Statement of Intent.

<sup>40</sup> No forecast was included in the 2006/07 Statement of Intent.

For the year ended 30 June 2007

## OUTPUT CLASS 6 PRISONER EMPLOYMENT

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

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

This output class primarily contributes to the Departmental outcome of 'reducing re-offending'.

### OUTPUT CLASS STATEMENT: PRISONER EMPLOYMENT

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
<b>REVENUE</b>				
9,229	Crown	11,788	8,065	11,788
25,248	Other	28,698	25,998	27,998
<b>34,477</b>	<b>Total Revenue</b>	<b>40,486</b>	<b>34,063</b>	<b>39,786</b>
<b>37,574</b>	<b>Total Expenses</b>	<b>39,158</b>	<b>34,063</b>	<b>39,786</b>
<b>(3,097)</b>	<b>Net Surplus / (Deficit)</b>	<b>1,328</b>	<b>–</b>	<b>–</b>

**OUTPUT 6.1: LAND-BASED ACTIVITIES**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours worked by prisoners employed in land-based activities:	791,865	791,046	788,190	2,856
The number of NZQA unit standards achieved:	new measure	1,456	1,914	(458)
<b>QUALITY</b>				
The number of hours of prisoner employment per NZQA unit standard delivered:	308	543	412	131

**Comments**

Land-based employment hours for the year were within expectations. However, the number of NZQA unit standards achieved was 24 per cent below forecast as a result of the Department's instructors undergoing training to become registered as assessors for NZQA unit standards. Land-based assessments were previously contracted through an external provider, but this arrangement ceased during the year and instructors are being fully trained as assessors to enable the delivery of NZQA unit standards to continue.

**OUTPUT 6.2: MANUFACTURING ACTIVITIES**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours worked by prisoners employed in manufacturing activities:	818,293	807,954	826,260	(18,306)
The number of NZQA unit standards achieved:	new measure	1,695	712	983
<b>QUALITY</b>				
The number of hours of prisoner employment per NZQA unit standard delivered:	761	477	1,160	(683)

**Comments**

Manufacturing employment hours for the year were within expectations. However, the number of NZQA unit standards achieved was significantly higher than forecast due to more instructors qualified as assessors, enabling the delivery of more NZQA unit standards. Because more NZQA unit standards were achieved while employment hours were close to forecast, the number of hours of employment per unit standard achieved was significantly below forecast.

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

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

- kitchens and laundry
- cleaning
- prison asset maintenance.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours worked by prisoners in internal self-sufficiency activities:				
• Public Prisons Service:	2,294,604	2,379,149	2,070,000	309,149
• Corrections Inmate Employment:	1,248,446	1,435,154	1,277,460	157,694
<b>The total number of hours worked by prisoners in internal self-sufficiency activities:</b>	<b>3,543,050</b>	<b>3,814,303</b>	<b>3,347,460</b>	<b>466,843</b>
The number of NZQA unit standards achieved by prisoners engaged in Corrections Inmate Employment activities:	new measure	3,309	1,724	1,585
<b>QUALITY</b>				
The number of hours of prisoner employment per NZQA unit standard delivered, in respect of Corrections Inmate Employment activities:	651	434	741	(307)

**Comments**

Self-sufficiency employment hours provided by Corrections Inmate Employment (CIE) were significantly higher than anticipated (12 per cent above forecast) due to a combination of new prisons generating more work than anticipated, plus an initiative to engage more prisoners in employment through supplementary training.

The number of unit standards achieved exceeded forecast by 92 per cent and resulted in a very positive variance in the number of hours of prisoner employment per NZQA standard delivered. An increased focus on delivering measurable training outcomes was more successful than anticipated, bringing as many of our instructors as possible up to assessor status to allow them to assess prisoners against NZQA standards.

Within the Prisons Service, the number of hours worked by prisoners on internal self-sufficiency activities exceeded forecast by 15 per cent. This was mainly due to the greater focus on increasing prisoner employment as part of the Prisoner Employment Strategy.

**OUTPUT 6.4: RELEASE TO WORK**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours worked by prisoners on release to work activities:	39,665	157,613	112,800	44,813

**Comments**

Release to work employment hours were 40 per cent higher than anticipated. This growth was supported by the roll-out of the national system (guidelines) for release to work. Over 400 prisoners went through the programme during the 2006/07 financial year.

Growth was achieved because additional staff positions were approved (release to work Case Managers and Coordinators) to help improve the supply of both pre-approved prisoners and vacancies. Further resources are being added to increase the number of prisoners participating in the release to work programme.

**OUTPUT 6.5: VOCATIONAL TRAINING SERVICES**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners are engaged in vocational training activities				
• Public Prisons Service:	new measure	22,828	23,250	(422)
• Corrections Inmate Employment:	new measure	30,913	17,760	13,153
<b>The total number of hours prisoners are engaged in vocational training activities:</b>	<b>new measure</b>	<b>53,741</b>	<b>41,010</b>	<b>12,731</b>
The number of prisoners who commence training towards the achievement of an externally recognised qualification				
• Public Prisons Service:	1,428	1,150	1,550	(400)
• Corrections Inmate Employment:	199	152	74	78
<b>The total number of prisoners who commence training towards the achievement of an externally recognised qualification:</b>	<b>1,627</b>	<b>1,302</b>	<b>1,624</b>	<b>(322)</b>
QUALITY				
The percentage of prisoners undertaking training activities conducted by the Department who receive an externally recognised qualification to be no less than: <sup>41</sup>				
• Public Prisons Service:	62%	65%	40%	25%
• Corrections Inmate Employment:	18%	47%	40%	7%

**Comments**

Vocational training hours provided by Corrections Inmate Employment (CIE) and the number of prisoners who commenced training were significantly higher than anticipated (74 per cent above forecast) due to an improved prisoner selection process. This also contributed to an increase in the percentage of eligible prisoners who received an externally recognised qualification. The achievement of externally recognised qualifications for vocational training is higher than other CIE activities because tutors can target a full National Certificate qualification.

Within the Prisons Service, the number of prisoners commencing training toward an external qualification was limited due to a delay in the sourcing and setup of prison computer suites. Despite this, a very positive result was achieved in the percentage of prisoners who received an externally recognised qualification due to the fact that many of the courses offered are of short duration, and are thus attractive to prisoners.

<sup>41</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 a prisoner has passed either all components of a defined course of study, or a module or unit associated with the partial completion of that course of study.

**OUTPUT 6.6: COMMUNITY SERVICES**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours worked by prisoners on community service activities:	32,992	79,766	68,000	11,766
The average number of prisoners engaged on community service activities:	40	70	68	2

**Comments**

The number of hours worked by prisoners on community services exceeded forecast by 17 per cent due to an increased focus on identifying suitable prisoners to undertake community work, and improved availability of supervisory custodial staff.

For the year ended 30 June 2007

## OUTPUT CLASS 7 REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

This output class provides:

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

This output class primarily contributes to the Departmental outcome of 'reducing re-offending'.

### OUTPUT CLASS STATEMENT: REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
<b>REVENUE</b>				
47,969	Crown	47,489	47,239	47,489
1,107	Departmental	1,454	–	–
<b>49,076</b>	<b>Total Revenue</b>	<b>48,943</b>	<b>47,239</b>	<b>47,489</b>
<b>45,802</b>	<b>Total Expenses</b>	<b>46,126</b>	<b>47,239</b>	<b>47,489</b>
<b>3,274</b>	<b>Net Surplus / (Deficit)</b>	<b>2,817</b>	<b>–</b>	<b>–</b>

## OUTPUT 7.1: RESPONSIVITY/MOTIVATIONAL PROGRAMMES

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

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

### SHORT MOTIVATIONAL PROGRAMMES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending a Short Motivational Programme:	new measure	325	800 <sup>42</sup>	(475)
The number of prisoners who start a Short Motivational Programme:	new measure	96	200 <sup>43</sup>	(104)
QUALITY				
The percentage of prisoners who start and complete a Short Motivational Programme to be no less than:	new measure	88%	65%	23%

### Comments

Forecasts for the number of hours prisoners spend attending short motivational programmes and the number of prisoners starting a short motivational programme were revised to 400 and 100 respectively. The reforecast was carried out mid-year and was agreed with the Minister due to less programmes able to be delivered and less eligible prisoners than expected.

The number of hours prisoners spent attending a short motivational programme was below the revised forecast. The forecast for this measure was based on 100 per cent attendance and programmes running at full capacity, and did not take into consideration offenders who voluntarily remove themselves from the programme or offenders who are removed from the programme. These factors have been reflected in the forecast for the 2007/08 financial year.

The programme completion rate was very positive with a 23 per cent higher completion rate than forecast. Completion rates are influenced by a wide range of variables that are not easily quantifiable which makes it difficult to attribute the impact of any one particular factor to the overall positive result. These factors can include offender motivation and improved targeting of offenders.

<sup>42</sup> Ministerial approval was received to revise this performance standard to 400.

<sup>43</sup> Ministerial approval was received to revise this performance standard to 100.

**TIKANGA MĀORI PROGRAMMES**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of offenders who start a Tikanga Māori programme				
• Prisoners:	991	868	1,053	(185)
• Community-based offenders:	632	624	523	101
<b>QUALITY</b>				
The percentage of offenders who start and complete a Tikanga Māori programme to be no less than				
• Prisoners:	93%	92%	90%	2%
• Community-based offenders:	70%	68%	65%	3%

**Comments**

The number of prisoners who started a programme was below forecast by 18 per cent. Class sizes were smaller than expected due to prisoners withdrawing from the programme or a change in their suitability status such as IDU (identified drug user), security classification or transfer. However, the completion rate for prisoners completing the programme remained high.

The number of community-based offenders starting a Tikanga Māori programme was above forecast due to an increase in programme availability. The forecast for this measure has been increased for the next financial year to reflect this.

**FAITH-BASED UNIT**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending a faith-based programme at Rimutaka Prison:	new measure	18,615	6,048 <sup>44</sup>	12,567
<b>QUALITY</b>				
The percentage of prisoners who start and complete a faith-based programme at Rimutaka Prison to be no less than:	new measure	95%	90%	5%

**Comments**

The forecast for the number of hours prisoners spend attending a faith-based programme was revised mid-year to 16,048 with Ministerial approval to correct a typographical error in the 2006/07 Statement of Intent.

The number of hours prisoners spent attending a faith-based programme at the Faith-based Unit exceeded the revised forecast by 16 per cent due to increased levels of programme activity in the Unit as prescribed in the contract with the external provider<sup>45</sup>.

<sup>44</sup> Ministerial approval was received to revise this performance standard to 16,048.

<sup>45</sup> The Prison Fellowship of New Zealand is contracted to the Department of Corrections for the delivery of programme services in the Faith-based Unit.

## OUTPUT 7.2: CRIMINOGENIC PROGRAMMES

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

Programmes include:

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

### SEX OFFENDER TREATMENT PROGRAMMES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending a programme at				
• Kia Marama:	12,999	17,043	12,500	4,543
• Te Piriti:	13,075	14,189	12,500	1,689
The number of prisoners who start a programme at				
• Kia Marama:	40	55	40	15
• Te Piriti:	47	47	40	7
QUALITY				
The percentage of prisoners who start and complete a programme to be no less than				
• Kia Marama:	new measure	98%	95%	3%
• Te Piriti:	new measure	96%	95%	1%

QUALITY (CONTINUED)	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The percentage of programmes completed at Kia Marama and Te Piriti where all the following components described in the service description were completed:	100%	100%	100%	0%
<ul style="list-style-type: none"> <li>• norm building</li> <li>• construction of offence chain incorporating challenging cognitive distortion</li> <li>• sexual arousal reconditioning</li> <li>• victim impact and empathy</li> <li>• social skills, relationship skills and sex education</li> <li>• mood, anger and stress management and problem solving</li> <li>• relapse prevention</li> <li>• release planning.</li> </ul>				

### Comments

At Kia Marama, programme hours and the number of prisoners who started a programme were both above forecast. An extra group was run to accommodate higher levels of referrals who needed to enter treatment with sufficient time to complete the programme before release.

At Te Piriti, programme hours and the number of prisoners who started a programme were also above forecast. Two groups were run with an additional prisoner in each group to enable those prisoners to be treated. Additional sessions were also required with the introduction of rolling groups. The adapted group for intellectually challenged prisoners enabled prisoners who would have difficulty keeping up in a standard programme to be treated.

**VIOLENCE PREVENTION PROGRAMMES**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending a violence prevention programme at Rimutaka Prison:	8,714	7,376	7,700	(324)
The number of prisoners who start a violence prevention programme at Rimutaka Prison:	30	30	30	0
<b>QUALITY</b>				
The number of violence prevention programmes completed at Rimutaka Prison:	3	3	3	0
The percentage of offenders who start and complete a violence prevention programme at Rimutaka Prison to be no less than:	73%	83%	70%	13%

**Comments**

Completion rates at the Violence Prevention Unit were 13 per cent above projected levels due to implementation of a better assessment process which more accurately gauges motivation, and consequently ensures better engagement in the therapeutic process. The programme has also been enhanced and it is believed that the programme is now more effective at securing the engagement of participants.

**FOCUS PROGRAMMES**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of FOCUS programme hours provided to young offenders:	3,553	3,609	4,080	(471)
The number of young offenders who start a FOCUS programme:	189	272	145	127
<b>QUALITY</b>				
The percentage of young offenders assessed as appropriate to be engaged in an FOCUS programme who participate in a FOCUS programme:	67%	100%	98%	2%

**Comments**

The number of young offenders who started a FOCUS programme was 88 per cent above forecast. However, the number of FOCUS programme hours provided to young offenders was below forecast due to a significant proportion of new offenders being transferred out of the Young Offender Unit during the course of a programme. This resulted in a reduced number of sessions being delivered.

**MĀORI THERAPEUTIC PROGRAMMES**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending Māori therapeutic programmes:	12,117	14,835	12,600	2,235
The number of prisoners who start a Māori therapeutic programme:	137	173	140	33
<b>QUALITY</b>				
The percentage of prisoners who start and complete Māori therapeutic programmes to be no less than:	58%	92%	80%	12%

**Comments**

An increase in eligible and interested prisoners in this programme resulted in full classes and the delivery of additional programmes. This in turn resulted in the number of prisoners who started the programme and the number of hours delivered exceeding forecast by 24 per cent and 18 per cent respectively.

**RELAPSE PREVENTION PROGRAMMES**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of offenders who attend a relapse prevention programme:	new measure	300	350	(50)

**Comments**

Maintenance groups were made available to offenders who had completed a criminogenic programme pending the development of the relapse prevention programme which was originally expected to begin in early 2007. The figure reported is the number of offenders who participated in a maintenance group.

The number of offenders who attended a maintenance group was below forecast due to a number of factors. As a result of difficulty in recruiting facilitators, groups were unable to be delivered in the Hamilton region. In addition, a lack of appropriate facilities in Christchurch Prison resulted in the postponement of maintenance group delivery in this area.

The new relapse prevention programme is being finalised and is due to become operational in 2007/08. It will be delivered to offenders who have completed the new medium-intensity programme and other rehabilitation programmes.

**SUBSTANCE ABUSE PROGRAMMES**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending a substance abuse programme in a Drug Treatment Unit:	new measure	53,572	61,689	(8,117)
The number of prisoners who start a substance abuse programme in a Drug Treatment Unit:	new measure	226	132	94
<b>QUALITY</b>				
The percentage of prisoners who start and complete a substance abuse programme in a Drug Treatment Unit:	new measure	33%	75%	(42%)

**Comments**

The number of prisoners who started a programme, and the number of hours spent attending a programme increased with the opening of the Christchurch and Hawkes Bay Drug Treatment Units. The number of hours spent attending substance abuse programmes was below forecast due to the gradual build up of prisoners attending programmes associated with programme schedules and the availability and suitability of prisoners.

The low completion rate reflects that many prisoners are still engaged in treatment and have not yet completed the programme.

**INTENSIVE CRIMINOGENIC PROGRAMMES**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending an Intensive Criminogenic Programme:	new measure	130	6,000 <sup>46</sup>	(5,870)
The number of prisoners who start an Intensive Criminogenic Programme:	new measure	9	20 <sup>47</sup>	(11)
<b>QUALITY</b>				
The percentage of offenders who start and complete an Intensive Criminogenic Programme to be no less than:	new measure	n/a <sup>48</sup>	75%	n/a

**Comments**

Forecasts for the number of hours prisoners spend attending an intensive criminogenic programme and the number of prisoners who start an intensive criminogenic programme were revised mid-year with Ministerial approval to reflect the number of programme hours that would fall in the 2007/08 year and an expected reduction in the number of offenders attending these programmes.

Design work for the intensive criminogenic programme was completed on schedule. The programme commenced with assessment of prisoners for the pilot programme, and nine of the ten participants were selected. The number of hours prisoners spent attending an Intensive Criminogenic programme was below the revised forecast due to the programme beginning later than expected and still being in very early stages at the time of reporting.

<sup>46</sup> Ministerial approval was received to revise this performance standard to 1,300.

<sup>47</sup> Ministerial approval was received to revise this performance standard to 10.

<sup>48</sup> A completion rate will be available when the pilot programme completes in 2007/08.

**OTHER CRIMINOGENIC PROGRAMMES**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours offenders spend attending a criminogenic programme				
• Prisoners:	new measure	44,520	30,600 <sup>49</sup>	13,920
• Community-based offenders:	34,290	12,438	24,375 <sup>50</sup>	(11,937)
The number of offenders who start a criminogenic programme				
• Prisoners:	new measure	482	387 <sup>51</sup>	95
• Community-based offenders:	539	356	445 <sup>52</sup>	(89)
QUALITY				
The percentage of offenders who start and complete a criminogenic programme to be no less than				
• Prisoners:	new measure	85%	75%	10%
• Community-based offenders:	65%	54%	65%	(11%)

**Comments**

Forecasts for the number of hours offenders spend attending a criminogenic programme and the number of offenders who start a criminogenic programme were revised mid-year with Ministerial approval to reflect changes in the split between programme delivery to prisoners and community-based offenders.

Prisoners attended more sessions than expected resulting in higher than forecast attendance hours and improved completion rates. A wide range of factors can influence an increase in attendance hours and improved completion rates. These can include offender motivation and improved targeting of offenders.

Attendance hours and completion rates for community-based offenders were both below the revised forecast. The delivery of the short rehabilitation programme in place of the medium intensity rehabilitation programme contributed to this result. Also, four programmes were stopped due to issues within these groups.

<sup>49</sup> Ministerial approval was received to revise this performance standard to 35,734.

<sup>50</sup> Ministerial approval was received to revise this performance standard to 19,241.

<sup>51</sup> Ministerial approval was received to revise this performance standard to 462.

<sup>52</sup> Ministerial approval was received to revise this performance standard to 370.

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours offenders spend attending other rehabilitative programmes funded by Probation and Offender Services:	143,539	156,870	110,000	46,870
QUALITY				
The percentage of offenders who start and complete other rehabilitative programmes funded by Probation and Offender Services to be no less than:	54%	52%	65%	(13%)

**Comments**

The number of hours offenders spent attending other rehabilitative programmes was 43 per cent above forecast for the year. A wide range of factors can influence an increase in attendance hours. These can include offender motivation and improved targeting of offenders.

Completion rates were 13 per cent below forecast and, like other years, were driven by high exit rates from domestic violence programmes most commonly due to non-attendance.

**OUTPUT 7.4: EDUCATION AND TRAINING**

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

Other general education activities include:

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

**NATIONAL CERTIFICATE IN EMPLOYMENT SKILLS**

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending a module under the NCES:	152,409	134,831	233,006	(98,175)
QUALITY				
The percentage of prisoners who start and complete a module under the NCES to be no less than:	94%	95%	90%	5%

**Comments**

Attendance hours for NCES were 42 per cent below forecast primarily due to smaller than planned class sizes, the necessity to appropriately stream prisoners into homogenous educational groups, and low prisoner demand and participation rates. Demand has tended to be towards general education rather than NCES as a result of the increased focus on foundation learning. Although the number of NCES hours delivered was less than forecast, 308 prisoners achieved the NCES qualification and 27,814 national standard credits were achieved.

**GENERAL EDUCATION**

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of hours prisoners spend attending a general education course:	new measure	140,850	97,000	43,850
QUALITY				
The percentage of prisoners who start and complete a general education course to be no less than:	new measure	n/a <sup>53</sup>	90%	n/a

**Comments**

The number of hours prisoners spent attending general education reflects a high level of demand as a result of the increased focus on foundation learning.

<sup>53</sup> There is no defined completion time for general education courses, therefore it is difficult to accurately gauge completion rates.

## OUTPUT 7.5: REINTEGRATION 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, supported accommodation and other support services to assist in the successful reintegration of offenders into their families/whānau, the community and the workforce
- offenders as victims of crime.

### WHĀNAU LIAISON SERVICE

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of offenders and their families/whānau receiving the whānau liaison service to be no less than:	351	376	312	64
<b>QUALITY</b>				
The percentage of offenders and their families/whānau receiving the whānau liaison service for which an action plan is developed to be no less than:	82%	100%	100%	0%

#### Comments

The number of offenders and their families/whānau receiving this service exceeded target by 21 per cent due to the high demand for this service by prisoners and/or their families/whānau.

### REINTEGRATIVE SERVICES - AS PROVIDED BY THE PUBLIC PRISON SERVICE

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hours offenders spend attending a reintegrative programme:	24,587	26,445	36,933	(10,488)
The number of prisoners who start a reintegrative programme delivered by the Public Prisons Service:	new measure	1,022	662	360
<b>QUALITY</b>				
The percentage of prisoners who start and complete a reintegrative service delivered by the Public Prisons Service to be no less than:	new measure	75%	90%	(15%)

#### Comments

The number of prisoners who started a reintegrative programme was 54 per cent above forecast due to an increase in the number of programmes offered. Programme delivery hours were 28 per cent below forecast largely as a result of prisoners transferring, withdrawing or being withdrawn from the programme or being released from prison. There was also a change in the measurement of programme contact time that will result in a reduction in hours next year with no change to programme availability.

**REINTEGRATIVE SERVICES - AS PROVIDED BY THE NEW ZEALAND PRISONERS' AID AND REHABILITATION SOCIETY (NZPARS)**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of support service hours provided to be no more than:	42,236	51,471	42,248	9,223
The number of offenders referred to NZPARS:	new measure	23,853 <sup>54</sup>	24,000	(147)
<b>QUALITY</b>				
The percentage of referrals (urgent or otherwise) to NZPARS per month acknowledged within five working days of receipt to be no less than:	100%	100%	95%	5%

**Comments**

NZPARS continued to meet its obligations outlined in the Corrections/NZPARS 2004/2007 contract. The reintegrative support service hours provided by NZPARS were 22 per cent above those purchased by the Department (which the forecast reflects). This is due to the reintegrative services NZPARS provided outside the contract (at no additional cost to the Department).

**REINTEGRATIVE SERVICES - SUPPORTED ACCOMMODATION INITIATIVES**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of offenders receiving the service to be:	8	37	40	3
<b>QUALITY</b>				
The percentage of offenders who start and complete a supported accommodation service to be no less than:	100%	94%	65%	29%

**Comments**

Offenders complete the supported accommodation service when they are able to live independently, have their own accommodation and are no longer supported by the service. Offenders are not considered to have completed the service if they have absconded or been recalled to prison.

The number of offenders receiving the service was below forecast for the year due to slower than expected property acquisition. The suitability of each property for offenders receiving the service is important and can be difficult to obtain.

The supported accommodation service completion rate continued to be higher than expected. This result is influenced by a wide range of variables which are difficult to quantify and cannot be attributed to any one factor. These variables can include:

- individual offender characteristics, for example, age, offending history, current personal circumstances, motivation to address offending
- the number and complexity of special conditions to be complied with (eg attendance at programmes, non-association orders, residential/employment restrictions).

<sup>54</sup> This number reflects the number of referrals to NZPARS, not the number of offenders referred.

**OUTPUT 7.6: COMMUNITY RESIDENTIAL CENTRES**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of offenders directed to attend a community residential centre:	72	63	82	(19)
The number of psychologist hours provided to Montgomery House:	916	871	740 <sup>55</sup>	(131)
<b>QUALITY</b>				
The percentage of offenders who successfully undertake a community residential centre order to be no less than:	68%	65%	60%	5%
The percentage of post-programme assessments for Montgomery House programmes completed by a psychologist to be no less than:	100%	100%	100%	0%

**Comments**

The forecast for the number of psychologist hours provided to Montgomery House was revised and agreed with the Minister mid-year. The forecast was revised to 900 to reflect the increased input required from psychologists to meet the complex needs of offenders.

There are three centres currently in operation nationwide; Montgomery House in Hamilton, Te Ihi Tū in New Plymouth and the Salisbury Street Foundation in Christchurch. As part of the Department's contractual agreement, psychological services are provided to offenders attending Montgomery House.

The number of offenders directed to attend a Community Residential Centre was 23 per cent below forecast for the 2006/07 financial year. A lack of referrals and suitable candidates for Te Ihi Tū has seen the centre not running at full capacity throughout the year. The assessment criteria are currently being investigated to enable these issues to be addressed in 2007/08.

The programme at Salisbury Street differs from the programmes run by other Community Residential Centres in that it is an open programme that can last between 6 and 24 months, which results in a rolling start date for offenders. This rolling start date has resulted in lower than forecast volumes in this output.

<sup>55</sup> Ministerial approval was received to revise this performance standard to 900.

**OUTPUT 7.7: PROVISION OF PSYCHOLOGICAL SERVICES****PSYCHOLOGICAL SERVICES**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of psychological consultation hours provided to the:				
• Public Prisons Service:	12,293	15,183	10,500	4,683
• Community Probation Service:	10,872	10,453	11,400	(947)
• Community Probation Service (extended supervision):	176	434	468	(34)
The number of psychological reports provided to the				
• Public Prisons Service:	1,232	725	885	(160)
• Community Probation Service:	1,197	1,010	916	94
<b>QUALITY</b>				
The percentage of psychological consultations that meet the following standards to be no less than:	100%	100%	95%	5%
• a structured offender assessment interview is conducted				
• confidentiality and consent issues are explained				
• relevant history is obtained				
• assessment measures are used (as appropriate)				
• problems are presented clearly formulated				
• treatment goals are specified (addressing assessed 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.				

QUALITY (CONTINUED)	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The percentage of psychological reports that meet the following standards to be no less than:	100%	100%	95%	5%
<ul style="list-style-type: none"> <li>• concise, logical and grammatically correct</li> <li>• source and reason for referral are clearly stated</li> <li>• all relevant and appropriate information is included</li> <li>• sources of information are well documented and verified</li> <li>• clear statements of recommendations for further interventions</li> <li>• complies with the Psychologists' Code of Ethics.</li> </ul>				

### Comments

The number of psychological consultation hours provided to the Public Prison Service was 45 per cent above forecast. The increase in hours was due to psychologists providing consultation within group programmes, resulting in the provision of consultation hours to a greater number of offenders. The rape group pilot and a Kowhiritanga programme were the two main group programmes delivered.

Community Probation Service consultation hours were 8 per cent below forecast largely as a consequence of additional resources provided to high-risk, high-profile offenders in the prison setting who were required to receive services prior to their release, and also an increased emphasis on assessment and reporting for Community Probation Service offenders.

Consultation hours provided for extended supervision treatment hours were 7 per cent below forecast. This result was demand-driven as only small number of high-risk offenders on Extended Supervision were directed to undertake psychological treatment.

The number of consultation hours provided per report varies widely. Emphasis on assessments rather than treatment for Community Probation Service offenders resulted in more reports written than forecast. Fewer reports were provided to the Public Prisons Service as increased treatment length provided to some offenders reduced the number of individuals passing through treatment.

**BICULTURAL THERAPY<sup>56</sup>**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of consultation hours provided by Māori service providers under the Bicultural Therapy Model:	3,933	3,579	4,000	(421)
The number of Māori offenders who receive treatment under the Bicultural Therapy Model:	new measure	314	n/a <sup>57</sup>	n/a
<b>QUALITY</b>				
The percentage of Māori service providers who comply with the following standards when delivering consultation hours under the Bicultural Therapy Model to be no less than:	100%	97%	100%	(3%)
<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>				

**Comments**

The number of consultation hours provided by Māori Service providers was below forecast due to an inability to establish oversight committees in all areas, despite ongoing efforts by psychologists. Oversight committees are located in each area and are made up of Māori kaumatua and the Principal Psychologist(s) from each area. When an offender indicates they would like to receive treatment under the Bicultural Therapy Model, the oversight committee reviews the service providers available and decides the most appropriate provider depending on the offender's needs. The inability to establish oversight committees in the Dunedin/Southland and Wellington areas meant that a lower than expected number of consultation hours were provided.

<sup>56</sup> The Bicultural Therapy model increases responsiveness to Māori needs by enabling both Tikanga Māori and western psychology for self-development and whānau healing.

<sup>57</sup> No forecast was included in the 2006/07 Statement of Intent.

**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.

	2005/06	Performance Standard 2006/07		
QUANTITY	Actual	Actual	Forecast	Variance
The number of full-time equivalent chaplains in prisons:	34	36	26	10
QUALITY				
The percentage of chaplaincy services delivered in accordance with the service description to be no less than:	100%	100%	100%	0%

**Comments**

The increased number of chaplains primarily reflects that the Catholic Bishop continues to make available additional chaplains to the Chaplaincy Service on a gratis basis as a gesture of goodwill. The increased number of chaplains also reflects chaplaincy services provided to Northland Region Corrections Facility and Auckland Region Women's Corrections Facility.

For the year ended 30 June 2007

## OUTPUT CLASS 8 SERVICES TO THE NEW ZEALAND PAROLE BOARD

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

This output class primarily contributes to the Departmental outcome of 'protecting the public'.

### OUTPUT CLASS STATEMENT: SERVICES TO THE NEW ZEALAND PAROLE BOARD

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
<b>REVENUE</b>				
5,488	Crown	5,704	5,488	5,704
–	Other	–	–	–
<b>5,488</b>	<b>Total Revenue</b>	<b>5,704</b>	<b>5,488</b>	<b>5,704</b>
<b>5,594</b>	<b>Total Expenses</b>	<b>5,694</b>	<b>5,488</b>	<b>5,704</b>
<b>(106)</b>	<b>Net Surplus / (Deficit)</b>	<b>10</b>	<b>–</b>	<b>–</b>

**OUTPUT 8.1: SERVICES TO THE NEW ZEALAND PAROLE BOARD**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of hearings by the New Zealand Parole Board to be no less than:	8,745	10,211	8,900	1,311
<b>QUALITY</b>				
The percentage of offenders or victims notified of an impending hearing at least 10 working days before a hearing to be no less than:	n/a	n/a <sup>58</sup>	100%	n/a
The percentage of offenders or victims notified of a Board decision within 10 working days after a hearing to be no less than:	n/a	n/a <sup>59</sup>	95%	n/a
The percentage of papers for home detention (deferred sentences) hearings provided to the Board at least five working days before a hearing to be no less than:	n/a	n/a <sup>60</sup>	95%	n/a
The percentage of all other papers for each hearing provided to the Board at least 10 working days before a hearing to be no less than:	n/a	n/a <sup>61</sup>	95%	n/a
The scheduling of cases to be heard by the Board to be within the timeframe specified in the Parole Act 2002 to be no less than:	n/a	100%	100%	0%

**Comments**

Ministerial approval was received to amend the quality measures from what was published in the 2006/07 Statement of Intent. Four quality measures were removed and three new quality measures were agreed:

- The percentage of offenders notified of an impending hearing at least 10 working days before a hearing to be no less than 100 per cent. A result of 100 per cent was achieved against this standard.
- The percentage of victims notified of an impending hearing at least 10 working days before a hearing to be no less than 100 per cent. No verifiable recording system was in place to accurately report against this standard. A review of the sampling method used to report against this measure will be undertaken in 2007/08.
- The percentage of offenders who are entitled to a hearing who receive a hearing. A result of 100 per cent was achieved against a standard of 100 per cent.

The volume of hearings was 15 per cent above expected volumes due to a marked increase in the volume of recall hearings, parole hearings and back-end Home Detention hearings. Legislation changes in late 2007 will have an impact on the volume of Board hearings, however this impact will be gradual, commencing in the second half of 2007/08, with a more significant reduction expected in 2008/09.

<sup>58</sup> Ministerial approval was obtained to remove of this measure.

<sup>59</sup> Ministerial approval was obtained to remove of this measure.

<sup>60</sup> Ministerial approval was obtained to remove of this measure.

<sup>61</sup> Ministerial approval was obtained to remove of this measure.

For the year ended 30 June 2007

## 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.

This output class contributes to the Departmental outcomes of 'protecting the public' and 'reducing re-offending'.

### OUTPUT CLASS STATEMENT: POLICY ADVICE AND DEVELOPMENT

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
	<b>REVENUE</b>			
5,403	Crown	4,981	5,403	4,981
–	Other	–	–	–
<b>5,403</b>	<b>Total Revenue</b>	<b>4,981</b>	<b>5,403</b>	<b>4,981</b>
<b>5,122</b>	<b>Total Expenses</b>	<b>4,874</b>	<b>5,403</b>	<b>4,981</b>
<b>281</b>	<b>Net Surplus / (Deficit)</b>	<b>107</b>	<b>–</b>	<b>–</b>

**OUTPUT 9.1: POLICY ADVICE AND DEVELOPMENT SERVICES**

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

QUALITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The percentage of advice provided according to a work programme agreed with the Minister of Corrections:	100%	100%	100%	0%
Advice delivered to the Minister of Corrections will be in accordance with the following quality standards:	100%	100%	100%	0%
<ul style="list-style-type: none"> <li>the aims of the paper have been clearly stated and 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 will be delivered within the specific reporting deadlines agreed with the Minister of Corrections:	100%	100%	100%	0%

**Comments**

The Effective Interventions project and the Prisoner Employment Strategy continued to place heavy demands on the Policy Group. New work, including support for legislation and Cabinet papers on prisoner transport and security, continued to place pressure on timelines. As a consequence, some timelines were extended.

**OUTPUT 9.2: MINISTERIAL SERVICING**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of responses to be prepared to Ministerial correspondence:	432	295	600 <sup>62</sup>	(305)
The number of responses to Parliamentary questions:	527	873	700 <sup>63</sup>	173
<b>QUALITY</b>				
The percentage of replies returned for redrafting not to exceed:	12%	22%	10%	12%
All responses signed out by either a general manager or, in his or her absence, an appropriate manager to be no less than:	100%	100%	100%	0%
<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:	54%	54%	90%	(36%)
The percentage of responses to Parliamentary questions completed within the timeframes set by the Minister's office to be:	52%	50%	100%	(50%)

**Comments**

The forecasts for the number of responses to be prepared to Ministerial correspondence and the number of responses to Parliamentary questions were revised and agreed with the Minister mid-year to reflect more accurate forecasts of demand.

The majority of replies returned for redrafting were as a result of minor issues such as formatting and typographical errors. Resources and expertise were increased to address this, and a specialised Ministerial Unit was established to support correspondence management and improve quality.

Timeliness of responses to Ministerial correspondence failed to meet the standard and was 36 per cent below expectations. Current expectations are that draft responses are delivered within 15 days. During 2007/08 it is planned to review this ambitious target with an aim to ensure that customer needs are met while a pragmatic approach is taken to ensuring enough time is allowed in order to deliver satisfactory responses.

Timeliness of responses to Parliamentary questions also failed to meet the standard and was 50 per cent below expectations. This was mainly due to the complexity and collation required to deliver satisfactory responses in a timely manner. Resources were added to address this issue. The Ministerial Unit now provides more assistance in drafting responses, and interim responses are now provided where there are difficulties in delivering full responses on time.

<sup>62</sup> Ministerial approval was received to revise this performance standard to 300.

<sup>63</sup> Ministerial approval was received to revise this performance standard to 900.

**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.

QUALITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The percentage of research and evaluation delivered to the agreed project milestones:	100%	100%	100%	0%
The percentage of psychological and other research that is provided to the following criteria contained in the Psychological Service Manual:	100%	100%	100%	0%
<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 meets appropriate standards of research design, and appropriate analysis tools are 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 is 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>				

**Comments**

Full year results for the provision of psychological research were in line with expectations.

For the year ended 30 June 2007

## OUTPUT CLASS 10 SERVICE PURCHASE AND MONITORING

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

This output class primarily contributes to the Departmental outcome of 'protecting the public'.

### OUTPUT CLASS STATEMENT: SERVICE PURCHASE AND MONITORING

For the year ended 30 June 2007

30/06/06 Actual (\$000)		30/06/07 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates (\$000)
	<b>REVENUE</b>			
1,589	Crown	1,734	1,588	1,734
–	Other	–	–	–
<b>1,589</b>	<b>Total Revenue</b>	<b>1,734</b>	<b>1,588</b>	<b>1,734</b>
<b>1,626</b>	<b>Total Expenses</b>	<b>1,612</b>	<b>1,588</b>	<b>1,734</b>
<b>(37)</b>	<b>Net Surplus / (Deficit)</b>	<b>122</b>	<b>–</b>	<b>–</b>

**OUTPUT 10.1: PURCHASE AND MONITORING OF SERVICE DELIVERY**

This output involves the development, management and monitoring of:

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

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

**INTER-AGENCY AGREEMENTS**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of national-level strategic agreements managed:	13	n/a	14	n/a
QUALITY				
The percentage of national-level strategic agreements managed in accordance with the review and reporting provisions to be no less than:	100%	n/a	100%	n/a
TIMELINESS				
The percentage of national-level strategic agreements that are renegotiated and/or reviewed by the date specified to be no less than:	100%	n/a	100%	n/a

**Comments**

No verifiable recording systems are currently in place to accurately measure reporting against these standards. In 2007/08, as structural changes in the Department are implemented, it is planned that issues associated with resourcing the management of inter-agency agreements will be resolved.

**COMMUNITY FUNDING CONTRACTS**

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of community funding contracts negotiated with external providers:	81	100	65	35
QUALITY				
The percentage of community funding contracts with a value of \$20,000 (or over) that have performance measures and standards to the following criteria to be no less than:	100%	100%	100%	0%

QUALITY (CONTINUED)	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
<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:	57%	100%	95%	5%

### Comments

Community programme funding contracts are negotiated as required by regional and area managers in order to meet demand for programme places for offenders to address issues such as domestic violence, alcohol or drug use and sex offending.

Additional funding for community funded programmes was made available to cater for increased demand for domestic violence and sex offender programmes resulting in the number of contracts being above forecast.

### CONTRACTS WITH COMMUNITY RESIDENTIAL CENTRES

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of contracts between Probation and Offender Services and community residential centres:	3	3	3	0
<b>QUALITY</b>				
The percentage of contracts for services with community residential centres that meet the following standards to be no less than:	100%	100%	100%	0%

**OUTPUT 10.1: PURCHASE AND MONITORING OF SERVICE DELIVERY (CONTINUED)**

QUALITY (CONTINUED)	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
<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>				
<b>TIMELINESS</b>				
The percentage of contracts for services with community residential centres that are regularly reviewed and reported on in terms of the following criteria to be no less than:	100%	100%	100%	0%
<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>				

**Comments**

The results for the year were in line with expectations. Standardised contract documentation, which includes performance standards, was in place for all three community residential centre contracts.

**OUTPUT 10.2: PROVISION OF INSPECTORATE SERVICES**

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

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of inspections in the inspectorate work programme as approved by the Assurance Board:				
• routine visits:	97	83	100	(17)
• special investigations:	15	12	20	(8)
<b>QUALITY</b>				
The percentage of inspections that are carried out to the following criteria to be no less than:				
	100%	100%	100%	0%
• to a quality that satisfies the Department's Assurance Board				
• according to the guidelines and standards of the New Zealand Institute of Internal Auditors				
<b>TIMELINESS</b>				
All reports on routine inspection visits will be completed within one month of the visit:				
	89%	96%	100%	(4%)
All special reports will be completed within the time period agreed in the terms of reference for the investigation:				
	98%	94%	100%	(6%)

**Comments**

The need to clear outstanding and complex investigations, along with staff resourcing issues during the year resulted in the cancellation of some routine visits.

**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.

QUANTITY	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The number of national systems maintained:	17	18	18	0
The number of service descriptions maintained:	47	47	47	0
The number of applications for inclusion on the Victim Notification Register:	523	513	600	(87)
The number of personal records established for prisoners:	4,226	4,668	n/a <sup>64</sup>	n/a
The number of decisions on offender management made under specified statutory delegations:	1,456	n/a <sup>65</sup>	1,000	n/a
<b>QUALITY</b>				
The percentage of national systems and service descriptions that comply with legislation:	100%	100%	100%	0%
The number of justified complaints by victims:	0	1	n/a <sup>66</sup>	n/a
The percentage of offender records established in accordance with the agreed procedures:	100%	100%	100%	0%
The percentage of offender management decisions made that are not overturned on review:	100%	n/a <sup>67</sup>	97%	n/a

<sup>64</sup> No forecast was included in the 2006/07 Statement of Intent.

<sup>65</sup> Ministerial approval was obtained to remove this measure.

<sup>66</sup> No forecast was included in the 2006/07 Statement of Intent.

<sup>67</sup> Ministerial approval was obtained to remove this measure.

TIMELINESS	2005/06	Performance Standard 2006/07		
	Actual	Actual	Forecast	Variance
The percentage of national systems and service descriptions that are reviewed as scheduled:	100%	100%	100%	0%
The percentage of applications for inclusion on the Victim Notification Register processed within 10 working days of being received:	100%	100%	100%	0%
The percentage of offender records established within 10 working days of reception to prison:	100%	100%	100%	0%
The percentage of offender management decisions made with specified timeframes:	100%	n/a <sup>68</sup>	100%	n/a

#### Comments

Performance measures relating to offender management decisions were removed with Ministerial approval due to the difficult nature of accurately reporting against these measures.

The number of applications for inclusion on the Victim Notification Register is outside the Department's control and relies on referrals from New Zealand Police.

<sup>68</sup> Ministerial approval was obtained to remove this measure.





## APPENDICES

## APPENDIX 1

## Report under section 190 of the Corrections Act 2004

Section 190 of the Corrections Act 2004 prescribes particular issues that must be reported on in the Department's Annual Report. These issues and the Department's achievements in the period from 1 July 2006 to 30 June 2007 are detailed below.

**S190(1)(a)**

**This aspect reports on how the Chief Executive has carried out his functions under section 8(1)(k), of ensuring that processes are established and maintained to identify communities significantly affected by policies and practices in the corrections system, and giving opportunities for those communities to give their views on those policies and practices, and ensured those views were taken into account, together with information on how prison managers have carried out this responsibility.**

Regional Managers are required by the General Manager of the Public Prisons Service to engage with local communities on a regular basis. The processes established to assist engagement are described in the following publications:

- Public Prisons Service manuals and guidelines
- Release of Official Information: Guideline for Coordination
- Consultation requirements as set by local authorities
- Performance management system.

The major issues for the Public Prisons Service requiring consultation with community organisations during 2006/07 included:

- the construction and opening of new corrections facilities
- the transfer of existing facilities out of a community
- changes to existing operations and facilities.

Opportunities were made available for community involvement through staff and community networks, public meetings, hui, and the media. This involvement included identifying issues that could both positively and

negatively impact on a community, providing opportunities for positive community contributions, and providing information on departmental and prison activities.

**S190(1)(b)**

**This aspect reports on the work undertaken by inspectors of prisons, including statistical information about the disposition of complaints and comment on issues arising from complaints or visits.**

**Introduction**

The Corrections Inspectorate is established under the provisions of section 28 of the Corrections Act 2004 as a dedicated complaints resolution, investigation and assurance function, reporting directly to the Chief Executive independently of operational line management. The legislation acknowledges the high level of risk attached to prison management and the need to provide a level of legislative prescription, protection and access for the Chief Executive's assurance agents in matters related to sentence management, and imprisonment in particular.

Community-based sentences continue to generate a very low volume of complaints to the Inspectors, with only seven being received during the 2006/07 year. None of these complaints were upheld. The reasons for the low volume are twofold. Firstly, the Community Probation Service has traditionally had a robust internal complaints process in place for offenders. As a result, offender issues are effectively resolved at operational level. Secondly, community-based offenders are largely able to carry on with their normal lives while serving their sentences. They therefore have ready access to their normal support networks, and the coercive power of the State is significantly less immediate than is the case for someone serving a sentence of imprisonment. This report therefore deals primarily with prison-related matters.

## Complaints to the Inspectors of Corrections

The effective and timely resolution of prisoner complaints is a key area of the Inspectors' work. For reasons of safety, security, fairness and the mitigation of risk, the Department expects prisoners' issues and concerns to be resolved as soon as practicable and at the lowest possible organisational level. In the normal course of events that is within the prison, at unit floor level. It is the responsibility of unit staff to resolve prisoner concerns by taking the appropriate action before they escalate into complaints or incidents. For those occasions where lower level resolution does not occur, or is not possible, the legislation provides the Department with a two tiered system of internal complaints resolution. At prison site level, a robust, auditable complaints system is required so that prisoners can formally take matters for resolution to their unit manager or prison manager. This constitutes the first tier.

The Inspectorate constitutes the second tier of internal complaints resolution and as such is effectively the Department's last opportunity to resolve a complaint before external agencies or Court action become involved. The year under review has seen for the first time since comparable figures have been available, a reduction in the number of prisoner complaints to the Inspectorate compared with the previous year. This is despite a significant increase in total prisoner numbers and indicates that the prisons are beginning to deal more effectively with prisoner concerns through their own internal complaints systems. This indication is reinforced by the continued low incidence of justified complaints to the Inspectors. A justified complaint is where the prison could have and should have acted differently, and the matter has required the intervention of an Inspector in order to achieve the appropriate outcome for the prisoner. Only 121 out of a total of 3,094 complaints to an Inspector, or 3.9 per cent, were deemed to be justified during 2006/07. (This compares with 114 justified complaints out of a total of 3,589 last year, or 3.2 per cent).

There are two matters of concern arising from the Inspector's complaints-related activity during the year. The first is in relation to the internal prison complaints system itself. It became apparent during the latter half of the year that, with the best of intentions, the efforts of some unit staff to ensure that issues were resolved at the lowest level were in fact creating a barrier between the prisoners and the internal complaints system. While unit staff can, and indeed must, offer to resolve an issue for a prisoner, they cannot insist that the prisoner disclose his or her concerns at that level. Access to the formal complaints system must be provided if that is what the prisoner seeks, and the necessary forms should be readily available in all units for the prisoners to use. Prison managers in turn need to ensure that statistics related to complaint volumes are not used in ways that encourage staff to respond negatively to prisoner complaints. Complaints are a normal part of prison life and are to be encouraged if a healthy prison environment is to be maintained.

The second issue relates to the sheer volume and content of contact with the Inspectorate that is generated by prisoners. While there has been some reduction in total contacts, as noted above, it is still apparent that at least half the matters brought to the Inspectorate could have been resolved at floor level. This is due to a combination of factors of which one, as noted above, is clearly the level of difficulty that prisoners have in accessing the internal prison complaints system. Equally critical, however, is the level of knowledge and experience of unit staff. The Department is still undergoing a period of rapid expansion and it is inevitable that there is an increased proportion of inexperienced staff in some units. Experience and ongoing training will improve that over time. In the meantime it is essential that prisoner access to the prisons' internal complaints systems is facilitated and encouraged. Prisoners need to know that their first recourse is to their unit or prison manager. They also need to gain confidence that their approaches to those people will result in a fair and reasonable outcome.

A number of specific areas of activity have been drawn to management's attention during the year, arising out of the Inspectors' complaints activity. As noted in my last report, the most significant of these remain prisoner property and staff conduct and attitude.

There is a continuing high incidence of complaints related to prisoners' property. 488 such complaints were received of which 27 (5.5 per cent) were found to be justified. This is comparable to last year's figures. It is encouraging to note, however, that there is a major review of the prisoner property entitlements and the property management system currently being undertaken. It is hoped that this will reduce both the amount of property retained in prison and the overall property management error rate.

There has been a rise in the number of complaints related to staff conduct and attitude. The Inspectors received 302 such complaints during the year compared with 214 last year. Of perhaps greater concern than the actual number of such complaints is the significant increase in the rate of justified complaints in this category. During 2006/07, 13.9 per cent of the total complaints received about staff conduct and attitude were found to be justified compared with the 4.2 per cent I noted in last year's report. While many of these related to the way in which staff were managing the prisoner complaints process, it needs to be repeated that the nature and dynamics of prisons require a constant, consistent and ongoing management presence right down at unit floor level in order to monitor and reinforce the desired behaviours. As I have previously reported, the time demands placed on today's prison managers, particularly in investigating incidents, complaints and allegations, and in dealing with the effects of constant change rarely allow this ideal to be achieved. It is hoped that the current review of the prison management structure will provide some much needed relief and resource in this area.

#### **Prison Visit Focus Reviews**

The Inspectorate's prison visiting programme includes a number of system reviews which focus on those areas of prison activity that generate the greatest level of risk to safe, fair and humane treatment. The same four focus review areas undertaken last year were continued

in 2006/07 because of their critical nature in terms of ensuring the safe, fair and humane treatment of prisoners. They were:

- the use of force system
- the system for identifying and managing prisoners at risk to themselves
- the prisons' internal complaints system
- the arrangements prisons have in place to ensure that regular sanitation and hygiene inspections by an independent specialist are carried out and any issues arising are addressed.

The results of these reviews were as follows:

#### **The Use of Force System**

A reasonable to high level of assurance can be given that the required system for managing the use of force is in place and being operated in practice. Some minor recording matters were drawn to management's attention at some sites but in general use of force incidents were well documented. As noted in my last report there is ongoing evidence that prisoners were given every reasonable opportunity to comply with a lawful order before force was used.

#### **The System for Identifying and Managing Prisoners At Risk to Themselves**

A reasonable level of assurance can be given that the system for identifying and managing prisoners at risk to themselves is in place and being operated in practice.

#### **The Prisons' Internal Complaints System**

As was the case in 2005/06, a reasonable level of assurance can be given that the required system for managing prisoner complaints at prison site level is in place at most locations. However, some ongoing but isolated shortcomings were noted in the practical application of the system. These included:

- Interview/Complaint forms were not sufficiently accessible to prisoners in some units.

- Some units were using unofficial 'forms' instead of the required Interview/Complaint form, or as a lower level unofficial system. This practice carries the risk of a return to the various undocumented local regimes that was replaced by the national system.
- The tear-off receipt was not always given to prisoners immediately an Interview/Complaint form was submitted.
- The timeframes for logging Interview/Complaint forms into the IOMS system were not always met.
- The timeframes for dealing with complaints once they were logged into the system were not always met.
- A number of complaints, while properly resolved, were incorrectly classified as 'interviews'.

#### **The System for Managing Independent Sanitation and Hygiene Inspections**

A reasonable level of assurance can be given that there is a system in place at all prison sites to ensure that regular independent expert health and sanitation checks of the prison are carried out. A reasonable level of assurance can also be given that any shortcomings noted by the health and sanitation inspectors are recorded and addressed.

#### **Investigations**

In addition to their prison visiting and complaints resolution activities, the Inspectors completed 12 full investigations of significant prison incidents during 2006/07, all of which related to deaths in custody. In the interests of transparency, the Inspectors have also continued to monitor the conduct and outcome of a number of internal prison investigations into other prisoner related incidents and allegations.

The most consistent areas of concern arising out of the investigations and monitoring assignments carried out by the Inspectors during 2006/07 were:

- the need for staff to carry out an adequate level of supervision, observation and routine security checking of prisoners
- the need for assessing staff to carry out an adequate level of cross matching of information when completing prisoner self-harm risk assessments
- the need for staff to report all incidents in a timely fashion, and for reports to be submitted by all staff who are involved in an incident.

As with the matters arising out of the Inspectors' complaints activities and routine visits, these areas of concern are the subject of adequate and well-proven systems, instructions and procedural requirements. The issues identified are more about the compliance in practice with those systems.

The year 2006/07 was an extremely demanding year for the Department, principally as a result of the adverse publicity surrounding two major incidents. These included the death of a young prisoner while under escort from Court to Auckland Central Remand Prison, and the killing by a life parolee of an innocent member of the public. The investigation of the activities of a small number of staff has also generated a degree of public comment. Such events will inevitably occur from time to time. It is right that they should be scrupulously and publicly examined in order to ascertain their causes and to ensure that the chances of their being repeated are minimised. The inspection activities carried out during the year have confirmed that the Department has in place a number of strongly risk-based governance, internal assurance and line management processes. These processes are supported by formal monitoring activities such as internal audit, peer review, inspection and internal control. The results of these activities continually show that effective systems are in place and that the vast majority of staff and managers are conscientious in their application. Unfortunately there can be no guarantee that people will always act predictably, or that the required systems and processes will be observed to the letter on every occasion.

The Department of Corrections has come through a long period of change and development at the strategic level. That is ongoing. It is encouraging to note that management accepts the need for some additional focus

to be directed to the basics of day to day operations. This is evidenced in enhanced training initiatives to ensure that staff are equipped to meet the demands of the job. There is also in train an ongoing review of operational management structures. It is hoped that this will ensure that line managers are properly supported and have sufficient time and resource to effectively monitor and mentor their areas of responsibility.

### Conclusion

The Inspectorate has reported progressively throughout the year on the matters arising out of their various activities to operational management, the Chief Executive and the Assurance Board. It is encouraging to note the ongoing positive response at all levels to the Inspectorate's findings, recommendations and observations, and the genuine desire for ongoing improvement.

The events of the past year have only served to reinforce the fact that prisons are, and will remain difficult and dangerous places to manage and to work in. They have, as predicted, provided an easy target for criticism, generalisation and sensationalism. I nonetheless remain of the view that by and large the Department can be proud of the quality of its services and of the ongoing dedication of its staff and managers. This view is based on the largely positive findings from the Inspectors' visiting, investigation and review activities, and the ongoing low incidence of justified complaints to the Inspectorate throughout the year.

### Section 190(1)(c)(d)(e)

**This aspect describes the processes and systems in place to supervise and control the monitoring of prisoner calls, including statistics on the proportion of prisoner calls monitored and the number and percentage of calls disclosed under section 117(1) and (2):**

- **to any person other than an employee of the Chief Executive**
- **to an employee of the Chief Executive**
- **number of proceedings against a person for a disciplinary in which a recording of any of those calls was used in evidence.**

Legislative authority for the Department to monitor prisoners' telephone calls is provided under sections 111 to 122 of the Corrections Act 2004. As a result of serious breaches in prison security, the Government approved additional funding in 2004 to enhance prison security by introducing a system and staff to monitor prisoners' telephone calls, and collect and analyse data that contributes to increase crime prevention in prisons.

Implementation of the overall Crime Prevention Information Capability (CPIC) model commenced in 2006/07. The supporting organisational structure, policies and procedures were put in place and staff recruited and trained. A new secure database was introduced and a pilot of the CPIC model completed in May 2007. A wide range of possible computerised systems to monitor telephone calls was investigated. The tender process for supply of functional systems was completed in August 2007. Implementation of these systems in prisons will commence in October 2007 and be completed in February 2008.

**Section 190(1)(f)**

This aspect provides a report on measures to reduce drug and alcohol use by prisoners and the effectiveness of those measures, random-testing programmes and the results of those programmes.

The Department's progress in reducing drug and alcohol use by prisoners is reported on pages 11 and 12 of this Annual Report.

**Section 190(1)(g)**

This aspect provides a report on the operation of every security contract in force for the whole, or any part, of the year to which the annual report relates, including:

- a summary of reports forwarded to the Chief Executive under S171(2) and (3)
- a summary of reports made to the Chief Executive under S172 (2) (b)
- a summary of actions taken in relation to the operation of security contracts as a result of matters raised in any report forwarded.

The Department's contract with Chubb New Zealand Limited is for the escort and court room supervision of prisoners in Auckland and Northland. Notwithstanding the number of difficult issues, the Chubb New Zealand Limited performance over the 2006/07 financial year was in line with contract expectations. The Department is currently working with Chubb New Zealand Limited to implement the recommendations from the Ombudsmen's investigation into prisoner transportation. The General Manager of Chubb New Zealand provided the Department with monthly reporting outlining performance for measures such as escapes, releases in error, prisoner deaths, prisoner injuries, complaints, staff personal grievances and disciplinary actions.

**Section 190(1)(h)**

This aspect provides a report on the operation of any contract prison, including a summary of reports by the manager of the contract prison, including:

- a summary of reports forwarded to the Chief Executive under S214(2) and (3)
- a summary of reports made to the Chief Executive under S215(2)(b)
- a summary of actions taken in relation to the management of contract prisons as a result of matters raised in any report forwarded.

No prisons were operated under contract during 2006/07.

## APPENDIX 2

### Report under section 15A of the Parole Act 2002

Section 15A(4) of the Parole Act 2002 requires the Department of Corrections to include in its Annual Report information about the use of electronic monitoring. The following information relates to the 2006/07 financial year.

#### Introduction

The information required covers:

- the number of offenders who were at any time subject to electronic monitoring
- the average number of offenders who were subject to electronic monitoring and the average duration of the monitoring
- the percentage of offenders who, while subject to electronic monitoring (other than as a standard detention condition while on home detention), were convicted for a breach of the condition, or convicted of any other offence, or recalled to prison under an interim recall order or a final recall order
- a description of processes and systems relating to electronic monitoring that were in place during the year reported on.

#### The number of offenders who were at any time during the 2006/07 financial year, subject to electronic monitoring:

Seven offenders were subject to an electronic monitoring condition.

Two offenders were electronically monitored as a special condition of parole, and five offenders were electronically monitored as a condition of extended supervision.

#### The average number of offenders subject to electronic monitoring and the average duration of the monitoring:

The average number of offenders subject to an electronic monitoring condition during 2006/07 was six offenders. The average duration of an electronic monitoring condition was 11 months.

#### The percentage of offenders who, while subject to electronic monitoring were convicted for a breach of the condition, or convicted of any other offence, or recalled to prison under an interim recall or final recall order:

Three of the seven offenders subject to electronic monitoring during 2006/07 were convicted for a breach of the condition, or convicted of another offence, or recalled to prison under an interim recall or final recall order

#### A description of the processes and systems relating to electronic monitoring that were in place during the year:

Electronic monitoring can only be used as a special condition to monitor an offender's compliance with other special conditions. These include compliance with participation in a programme or conditions prohibiting an offender from entering or remaining in specified places or areas, either at specified times, or at all times.

The New Zealand Parole Board may impose a special condition for an offender to submit to electronic monitoring following an assessment by the Department on the suitability and availability of electronic monitoring.

The Department canvases the suitability of a premises for electronic monitoring and assesses the safety and welfare of any occupants proposing to reside with the offender. In all cases the other occupants of the premises must consent to having the offender, who is subject to electronic monitoring, residing with them.

The Department has a contract with Chubb New Zealand Limited for the provision of electronic surveillance, equipment and security guards to facilitate the use of electronic monitoring in the Department's management of offenders.

Electronic surveillance equipment provides specialised monitoring through an electronic unit based at the offender's places of residence. The offender wears an anklet that emits a continuous radio signal and triggers an alarm if the offender leaves the confines of the premises or does not return to the property at times when they are required to be at the premises.



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