



DEPARTMENT  
OF CORRECTIONS

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DEPARTMENT  
OF CORRECTIONS

# Annual Report

1 July 2005 – 30 June 2006

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**PRESENTED TO THE HOUSE OF  
REPRESENTATIVES PURSUANT TO SECTION 44  
OF THE PUBLIC FINANCE ACT 1989**

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

*The start of the journey is symbolised by the koru; the kupenga pattern – net design – reflects the family ‘net’ of whānau support.*

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

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# INTRODUCTION

The Annual Report describes achievement against the Department's strategic goals and key initiatives, outputs and performance measures as outlined in the *2005/06 Statement of Intent*. This is the third Annual Report that reports against the Department's *Strategic Business Plan 2003–2008*.

The Annual Report is divided into four parts:

Part 1 sets out the strategic context within which the Department operates, including the purpose and principles guiding the Department's day-to-day operations. It also details the Department's strategic direction and outcomes, and their links to key government priorities and justice sector end outcomes. It also summarises the Department's overall approach to the management of offenders.

Part 2 details the Department's achievements against the major initiatives planned for 2005/06 and provides information on the Department's progress towards achieving its two outcomes of protecting the public and reducing re-offending.

Part 3 describes the factors affecting or contributing to the Department's achievements, including the environment and issues that impacted upon the Department's operations during 2005/06; the strategies to mitigate against identified risks; and the Department's development of its capability, including its people and infrastructure.

Part 4 includes a summary of the Department's financial statements and performance against outputs as outlined in the *2005/06 Statement of Intent*, in accordance with the Public Finance Act 1989. Included in these are detailed descriptions of the outputs that were delivered during 2005/06, the performance standards associated with these outputs, and statements setting out the Department's operating expenditure for the year ended, and financial position as at, 30 June 2006.

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## CHIEF EXECUTIVE'S FOREWORD

It gives me great pleasure to present this year's Annual Report. The year has been a positive one for the Department. New key initiatives have been delivered; others previously started have been bedded in, while planning is well underway in other areas in support of the Department's outcomes of 'protecting the public' and 'reducing reoffending' – the most significant being the suite of Effective Interventions initiatives.

Much of the work undertaken by the Department is in difficult, challenging and complex circumstances; it is not always understood by the public, who are not necessarily aware of the legal and other constraints under which we must operate, nor fully appreciate what it is like to work with offenders. This year proved no exception and I think it would be fair to say these complexities have been compounded by an unprecedented level of public and political scrutiny over the past 12 months.

Fortunately, two independent reviews have assisted in laying to rest a number of the fallacies in the public arena. The Ombudsmen's own motion review found no general ill-treatment of prisoners or inappropriate conduct of staff. To quote from the report; *"we reiterate that we found neither systemic ill-treatment of prisoners nor abuses of power...., nor any culture within prison staff for abuse of prisoners"*. I also agree with the Ombudsmen that there is still much to be done in the provision of rehabilitation programmes and constructive activities for prisoners. This was a key focus for the year, which I will comment on a little later.

In May 2006, the Prime Minister opened the second of the Department's four new regional facilities - Auckland Region Women's Corrections Facility. It was opened on time and within budget. An excellent result and to the credit of all involved.

The August 2006 State Services Commission review of the cost escalation at the third and fourth of the Department's new facilities - Spring Hill Corrections Facility and Otago Region Corrections Facility - while noting areas the Department could have managed better, also acknowledges the good work done in developing these facilities to very tight timelines in a heated construction market.

The Department also welcomed the acknowledgement in the report that it has made significant improvements in the governance arrangements for the Regional Prisons Development Project and is committed to further improvements in processes throughout the remaining life of the project.

Against this backdrop, it has been a year of positioning the Department to meet the future expectations and requirements of the community in which it has a vital and fundamental role to play. While we have already come a long way, the pace of change has accelerated over the year with more remaining to be done if the Department is to be well-equipped looking forward.

Recent years has seen the Department experience unprecedented growth in the demand for its services. The Department's strategy for responding to these pressures, via integrated offender management and continuing focus on improving service delivery and effectiveness, has led to increasing emphasis on the integration of functions. Experience and overseas research has demonstrated that the suite of programmes, services, and other interventions designed to reduce re-offending are more likely to be effective where there is both integrated service delivery internally and strong external partnerships with communities and community volunteer groups.

The year under review saw the next steps taken in the ongoing process of integration. First was the establishment of the General Manager Integration role. This role assumed responsibility for co-ordinating departmental effort around the new reintegrative framework, the Corrections Inmate Employment (CIE) strategic plan, supported accommodation trials, Work and Income support to increase work opportunities for prisoners on release, amongst other opportunities.

Subsequently, I have announced a review of the Department's Head Office. I have done this to ensure that the Department has the best Head Office structure in place to both lead and support improved integration of Department functions and service delivery. The results of this review, including its recommendations, will become available for consideration and discussion in the New Year.

As I have already mentioned, a major focus has been around enhancing and expanding existing rehabilitation and reintegration initiatives.

Recent evaluations showed that two programmes designed to address behaviour which had contributed to offending were not producing the desired change in offender behaviour. As a consequence, a significant redesign of criminogenic programmes commenced with a focus on developing more intensive programmes for higher risk offenders.

The year has seen the Department increase its collaboration with the Ministry of Social Development. The result has been the setting up of Work and Income Reintegration case workers in each prison, with departmental reintegration worker positions also established during the year following a pilot programme. Activities to be undertaken by these joint Prisoner Reintegration teams include providing much needed employment case management and work broker services to prisoners prior to release, with the aim of increasing the likelihood of prisoners finding suitable employment after release. They will also help address common difficulties such as accessing accommodation, finding employment, managing relationships and managing finances.

The launch of the *Prisoner Employment Strategy 2006–2009* in May 2006 created a framework and programme of work that will help to address the significant skills deficits and obstacles prisoners face in obtaining post-release employment, and ultimately contribute to making our communities safer.

What has been abundantly clear during the year is that the public also expect the Department to ensure that the community remains protected from those in our custody, both in prison and under our responsibility in the community. Ongoing public support for the Department's rehabilitative and reintegrative measures is dependent on people feeling safe.

The Department has moved to provide a greater level of surety in this area. We have made great strides in improving the security of our prisons. Escapes, suicides and other serious incidents continue a downward trend despite record prisoner numbers, and compare favourably with overseas countries.

Home detention continues to be an effective sentence in terms of very low rates of re-offending while on home detention. A total of 99 percent of offenders on home detention during the year did not abscond while serving their sentence. This includes offenders who serve the majority of their sentence on home detention, and those that serve a minimum of two years in prison and complete their sentence under electronic surveillance at home prior to being released on parole.

Enforcement of the conditions of sentences and orders managed in the community is a significant part of the work of Probation Officers and Senior Community Work Supervisors. Both for the integrity of sentence management and for the safety of the community it is important that robust procedures are in place and are being followed. This is not an easy part of the job but I am aware that our managers and staff take this part of their role very seriously and again this year they have kept on top of enforcement activity. This is something that will continue to be a focus as we move to implement changes in community-based sentences and orders.

The year also saw the strengthening of the Department's crime prevention and security capacity following the allocation of more funding for these activities in the 2005/06 Budget. The Department is taking measures to enhance its telephone monitoring capacity and put more staff into prisons and regional offices to collect and analyse information obtained through that monitoring.

We have seen the number of drug detection dogs double since 2004, and recently I was able to praise efforts in lowering positive results in random drug tests, while pointing out how the amount of contraband confiscated from visitors has doubled.

No doubt the forthcoming year will bring its own challenges and opportunities. Much remains to be done and it is not possible to simply stand still. However pleasing the results or robust the system, policies and procedures, there is always room for improvement. If the gains made this year are any indication then the future is one which can be faced with confidence.

I could not finish without acknowledging the work of the Department's staff as they have gone about their work with commitment and professionalism. One of the most rewarding moments during the year was to present recipients with their inaugural Chief Executive PRIDE awards. These awards, which I had the pleasure of instigating during my first year as Chief Executive, encourage individual and group achievement of the Department's values of Professionalism, Responsiveness, Integrity, Diversity, Effectiveness and Efficiency and provide an opportunity to celebrate and recognise people at an organisational level.

I am constantly impressed as I meet staff in all areas of the Department with their ongoing passion to make a positive difference to the people we manage whether on community sentences or in prisons. I thank them for their dedicated public service.





# Part 1

Strategic Context



## PURPOSE AND PRINCIPLES GUIDING THE CORRECTIONS SYSTEM

The purpose and principles guiding the corrections system are set out in the Corrections Act 2004 and Corrections Regulations 2005.

The purpose and principles guiding the corrections system are set out in sections 5 and 6 of the Corrections Act 2004.

Under section 5 of the Act, the purpose of the corrections system is to improve public safety and contribute to the maintenance of a just society by:

- ensuring that the community-based and custodial sentences and related orders that are imposed by the courts and the New Zealand Parole Board are administered in a safe, secure, humane and effective manner; and
- providing for corrections facilities to be operated in accordance with rules set out in the corrections legislation and regulations made under this legislation that are based, amongst other matters, on the United Nations Standard Minimum Rules for the Treatment of Prisoners; and
- assisting in the rehabilitation of offenders and their reintegration into the community, where appropriate, and as so far as is reasonable and practicable in the circumstances and within the resources available, through the provision of programmes and other interventions; and
- providing information to the courts and the New Zealand Parole Board to assist them in decision-making.

Section 6 of the Act then sets out the detailed principles that guide the operation of the corrections system.

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## THE DEPARTMENT'S OUTCOMES

The Department's two outcomes are 'Protecting the Public' and 'Reducing Re-offending'.

The Department contributes to 'protecting the public' by:

- providing a safe environment for staff and the public
- managing offenders in a safe, secure and humane manner
- ensuring appropriate compliance with, and administration of, sentences and orders
- providing information to the judiciary to inform the sentencing process and release conditions
- supporting reparation to the community.

The Department contributes to 'reducing re-offending' through changing offending behaviour by providing targeted rehabilitative and reintegrative initiatives, including education, work experience and skills.

To do this, the Department supplies:

- a risk and needs assessment for each offender to determine how best to address their offending behaviour
- programmes to encourage offenders to address their offending behaviour
- programmes to address offenders' offence-related needs
- education, training and work experience to assist offenders to secure employment on release
- assistance with accessing community services.

## JUSTICE SECTOR CURRENT END OUTCOMES

Achievement of the Department's two outcomes contributes to the two current end outcomes shared by all agencies within the justice sector and through which the sector contributes to the Government's priorities.

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

**A FAIRER, MORE CREDIBLE AND MORE EFFECTIVE JUSTICE SYSTEM;** being a system in which people's interactions are underpinned by the rule of law and justice services are more equitable, credible and accessible.

The justice sector is reviewing its outcomes and indicators. This work is designed to ensure the sector has outcomes that are relevant, are consistently interpreted, and that demonstrate how the sector contributes towards the priorities of the Government.

## GOVERNMENT PRIORITIES

Together, the Department's two outcomes of 'Protecting the Public' and 'Reducing Re-offending' – and its contribution to the wider justice sector outcomes – contribute to the Government's vision and priorities for the next decade.

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

The Government's priorities for the next decade are:

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

# THE DEPARTMENT'S STRATEGIC BUSINESS PLAN

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

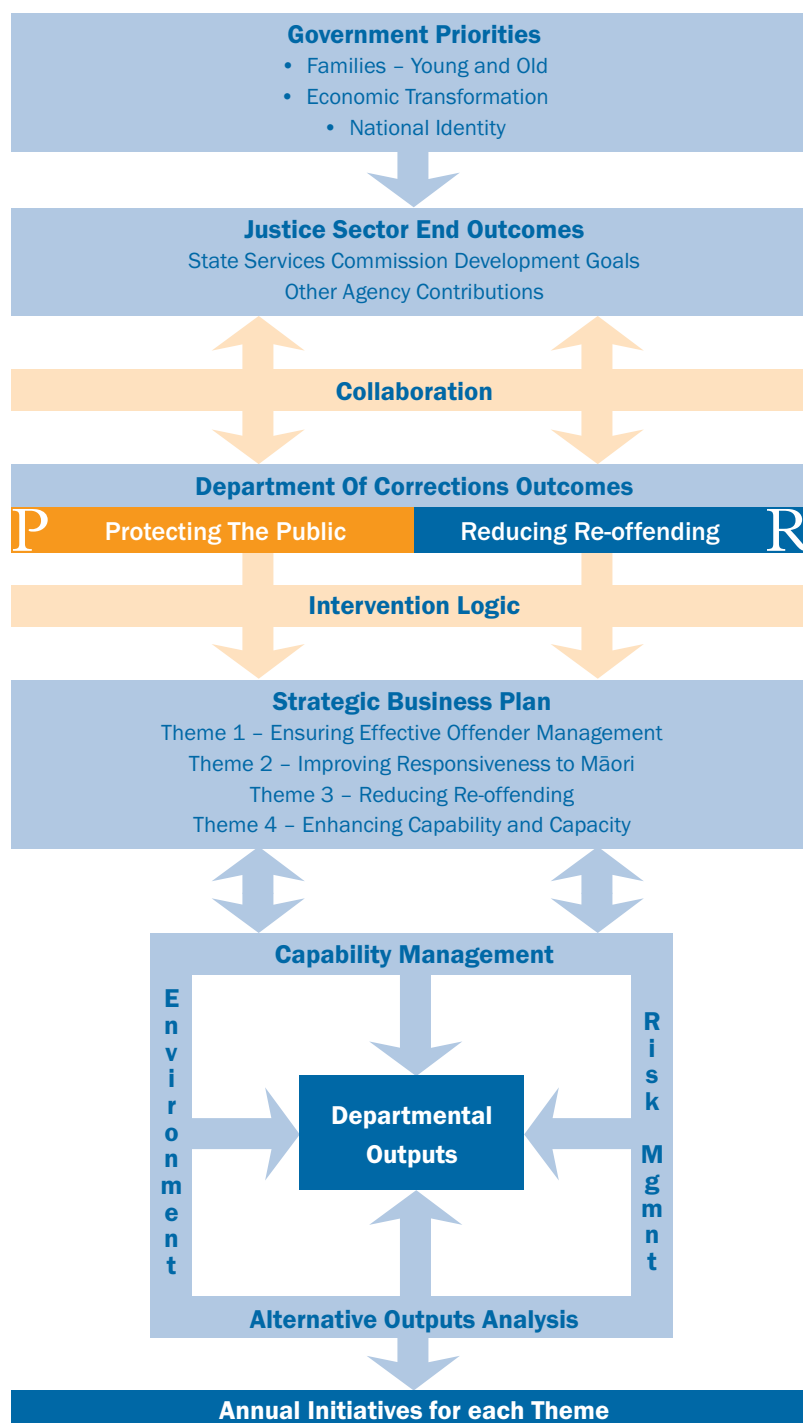
The plan is based around four themes that provide the strategic framework for the Department to deliver on its outcomes and address the issues impacting on its operations. The four themes, which provide priority areas that assist staff and managers to focus their efforts, are:

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

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

The Department's *Strategic Business Plan 2003–2008* is supported by a Māori Strategic Plan, a Pacific Strategy and four operational strategies. The strategic business plan and the supporting plans and strategies, are available on the Department's website, [www.corrections.govt.nz](http://www.corrections.govt.nz), under News and Publications, Strategic Documents.

The following diagram summarises the strategic framework and linkages between the Government's priorities, the justice sector end outcomes, and the Department's outcomes, Strategic Business Plan, outputs, and annual initiatives. It shows the strategic framework through which the Department delivers its outputs and initiatives, including those set out in the *2005/06 Statement of Intent* and reported on in this Annual Report.



## MANAGING FOR OUTCOMES

The Department's success is determined by the extent to which the departmental outcomes of 'Protecting the Public' and 'Reducing Re-offending' are achieved.

### Attribution and Accountability

Measurement of progress can be intrinsically difficult because outcomes are often influenced by factors beyond an individual agency's control. The nature of the measures developed for each outcome means that some measures are better suited to providing information on the impact of the Department's interventions, as opposed to those external factors.

The Department's interventions seek to change the behaviour of the persons who come under its care and control. The likelihood of individual offenders re-offending is assumed to be based, in part, on relatively stable (though potentially changeable) personal and social characteristics. Personal characteristics include violence propensity, substance dependence, attitudes and values supportive of criminality, as well as deficits in educational and occupational skills. Social characteristics include lack of social supports, homelessness and lack of employment. The Department therefore offers a range of services that are intended to:

- reduce the severity of antisocial traits
- build socially adaptive skills and abilities
- resolve or mitigate environmental obstacles faced by offenders.

In addition to attempting to encourage personal change, and providing support and assistance to offenders, the Department also provides monitoring of and direction to those offenders subject to community sentences and orders. In doing so, the Department endeavours to prevent offenders from relapsing into undesirable patterns of behaviour, as well as enabling pre-emptive actions to be taken when risks

become elevated.

The Department cannot completely control the outcomes experienced by offenders. Key limits to control include:

- for many offenders, the sentence imposed is too short to allow meaningful engagement with rehabilitative services and programmes
- many offenders are unmotivated to address the personal and social issues that underlie their offending risk (and, while there are systems to encourage them to address these issues, there are seldom reasonable or effective ways to compel them to do so)
- when in the community, the location and behaviour of offenders cannot be continuously monitored, except in certain circumstances such as the first 12 months of an extended supervision order
- events and circumstances well beyond the control of the Department, which may dramatically and abruptly alter an offender's risk of re-offending, can (and frequently do) occur.

Fundamentally, criminality is understood to be a relatively robust and enduring personal characteristic in adult offenders. Even when exposed to the most sophisticated and intensive rehabilitative and reintegrative services, a substantial proportion of offenders will still go on to re-offend. Through its suite of interventions, the Department endeavours to reduce the proportion of those who do so.

In relation to the wider justice sector end outcome of safer communities generally, the Department's contribution is in reducing risk associated with offenders who have already come under its care and

control. The Department can exert no influence that might prevent offending by those who have not previously been under its control, or to reduce the number of young offenders entering the criminal justice system for the first time.

### Measuring the Departmental Contribution to Achieving Outcomes

To demonstrate success, processes must be in place to measure achievement.

The Department has developed a set of measures, based on data collected through its offender management processes and similar information obtained from corrections agencies in other countries, which enable comparisons to be made. These measures provide a good starting point for assessing the Department's performance and will be enhanced over time in conjunction with the review of outcome measurement that is underway within the justice sector.

The measures are grouped under the departmental outcomes:

- Progress in 'protecting the public' is assessed through measures that demonstrate the quality and efficiency of the Department's custodial functions.
- Progress in 'reducing re-offending' is assessed by specific measures developed by the Department – the Recidivism Index (RI) and the Rehabilitation Quotient (RQ).

Achievements during 2005/06 against these measures are reported in detail in Part 2 of this Annual Report.

The Department also monitors the application of specific offender management processes to ensure they are properly and consistently applied.

Individual processes are also reviewed periodically to ensure that they remain effective, and, where necessary, they are amended. This activity is intended to support a process of continuous improvement while ensuring the integrity of the information used by the Department for assessing its contribution to outcomes.

### **International Benchmarks**

The Department has developed close working relationships, and participates in the exchange of information with a number of overseas jurisdictions, such as Australia, Canada, England and Wales, and Scotland. Other international relationships are facilitated through the Department's membership of the International Roundtable for Correctional Excellence, the International Corrections and Prisons Association and the Ministerial Council on the Administration of Justice. The information exchanged has been used to develop benchmarks comparing performance across a range of indicators, including prisoner-to-staff ratios, costs of securing prisoners and occupancy statistics. This data is important because the Department is not able to compare performance in its core offender management functions against other New Zealand organisations.

Benchmarking also supports strategic advancement because it provides a means by which quality improvement can be identified and effected. Work continues on developing new measures and refining existing measures to ensure comparability. Current benchmarking data is included in Part 2 of this Annual Report in conjunction with the "Protecting the Public" measures relating to the quality and efficiency of the Department's custodial functions, and is published each year in international reports.

### **Linking Outcomes to Outputs**

The delivery of the Department's outputs directly contributes to the achievement of its outcomes. These linkages are demonstrated in the diagram on pages 16 and 17, which highlights how the Department's

range of output classes and outputs contribute to its two outcomes of 'protecting the public' and 'reducing re-offending'.

### **Alternative Outputs Analysis**

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

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

Analysis of the Rehabilitation Quotient results that were presented in the *2004/05 Annual Report*, together with the evolving knowledge about what works best with offenders, has led to decisions to change the mix of rehabilitative programmes. The essence of the changes will be to target medium-intensity programmes to medium-risk offenders and high-intensity programmes to high-risk offenders. These programmes will be supported by a comprehensive relapse prevention programme.

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

The Department will also be involved in continuing work to examine options other than imprisonment for the rising offender population. The Government has made it clear that there will not be any lessening in penalties for

serious repeat offenders and hardened criminals, but that for some other offenders the use of non-custodial sanctions may be more productive, and a smarter, more effective use of taxpayers' money.

### **Evaluation, Research and Monitoring**

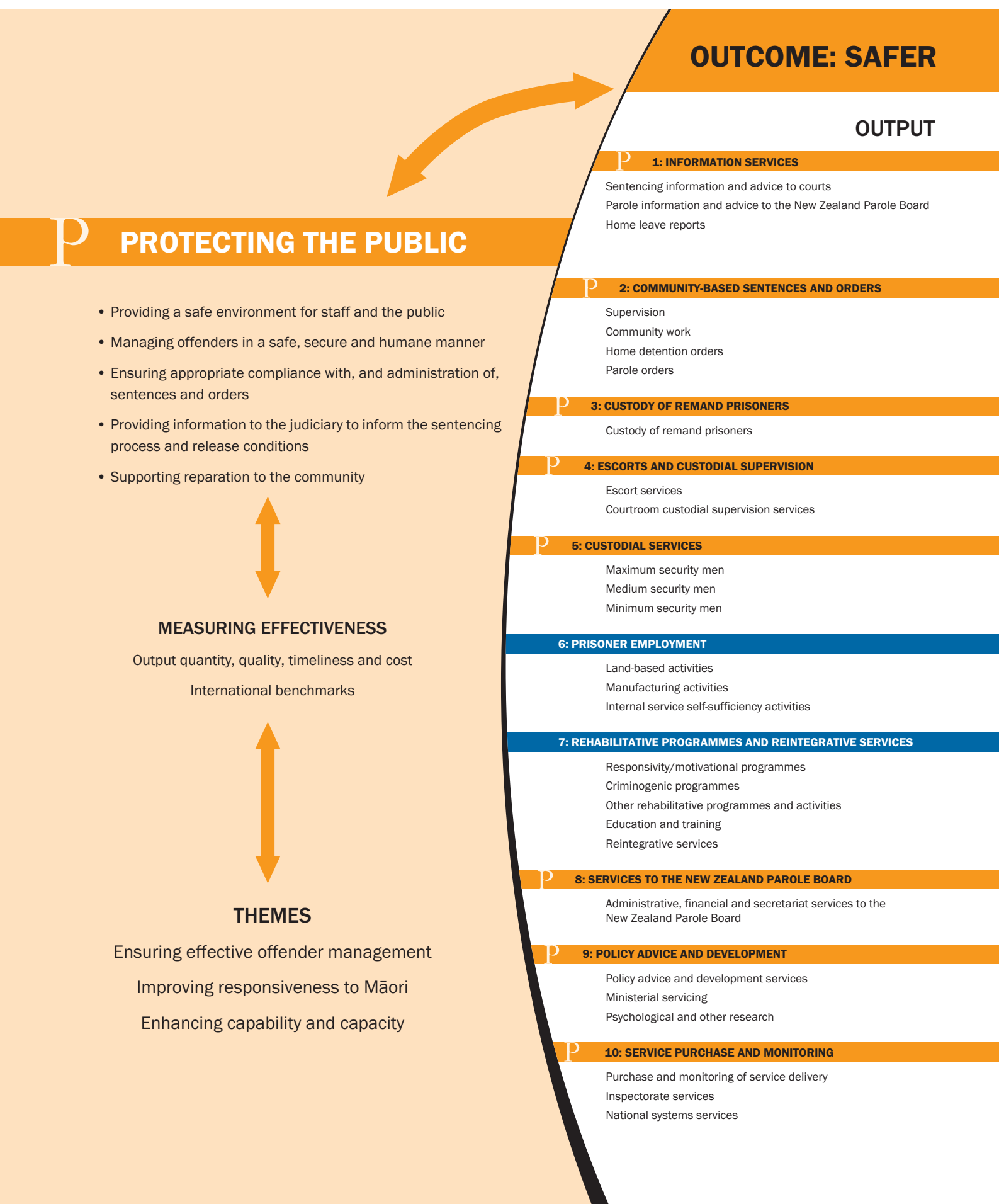
The Department is committed to the development of evidence-based interventions that can be implemented successfully to assist with the achievement of its outcomes. The Department's own research and evaluation programme contributes to the development of new, or the modification of existing, interventions. This is especially so in the area of applying international work in the New Zealand context. The programme encompasses research on new interventions, assessment of the relevance of overseas approaches in the New Zealand context, and evaluations of the performance of specific interventions. This work provides a critical foundation for the selection of new interventions, or the modification of existing approaches, that support the Department's work in this area.

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

Research and evaluation undertaken in 2005/06 is reported in Part 2 of this Annual Report.



TABLE 2: LINKING OUTCOMES TO OUTPUTS





# COMMUNITIES

## CLASSES

Home detention assessments to the New Zealand Parole Board  
 Psychological Service information and advice to courts and the New Zealand Parole Board  
 Information services for extended supervision orders

Orders for post-release conditions  
 Extended supervision orders

Women  
 Male youth  
 Drug reduction

Release to work  
 Vocational training services  
 Community services

Community residential centres  
 Psychological services  
 Chaplaincy services

## REDUCING RE-OFFENDING

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

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



## MEASURING EFFECTIVENESS

Output quantity, quality, timeliness and cost

International benchmarks

Recidivism index

Rehabilitation quotient



## THEMES

Ensuring effective offender management

Improving responsiveness to Māori

Contributing to reducing re-offending

Enhancing capability and capacity

## APPROACH TO MANAGING OFFENDERS

In accordance with the purpose and principles guiding the corrections system and with the aim of achieving the Department's outcomes, the Department manages offenders through an integrated approach that applies across all sentence types, sentence lengths and locations.

When offenders enter the corrections system, there is a process to guide what happens to them during their sentence, how their needs are identified and managed and what follow-up support is required once they have finished the sentence. The offender management process is illustrated by the following diagram.

### OFFENDER MANAGEMENT PROCESS

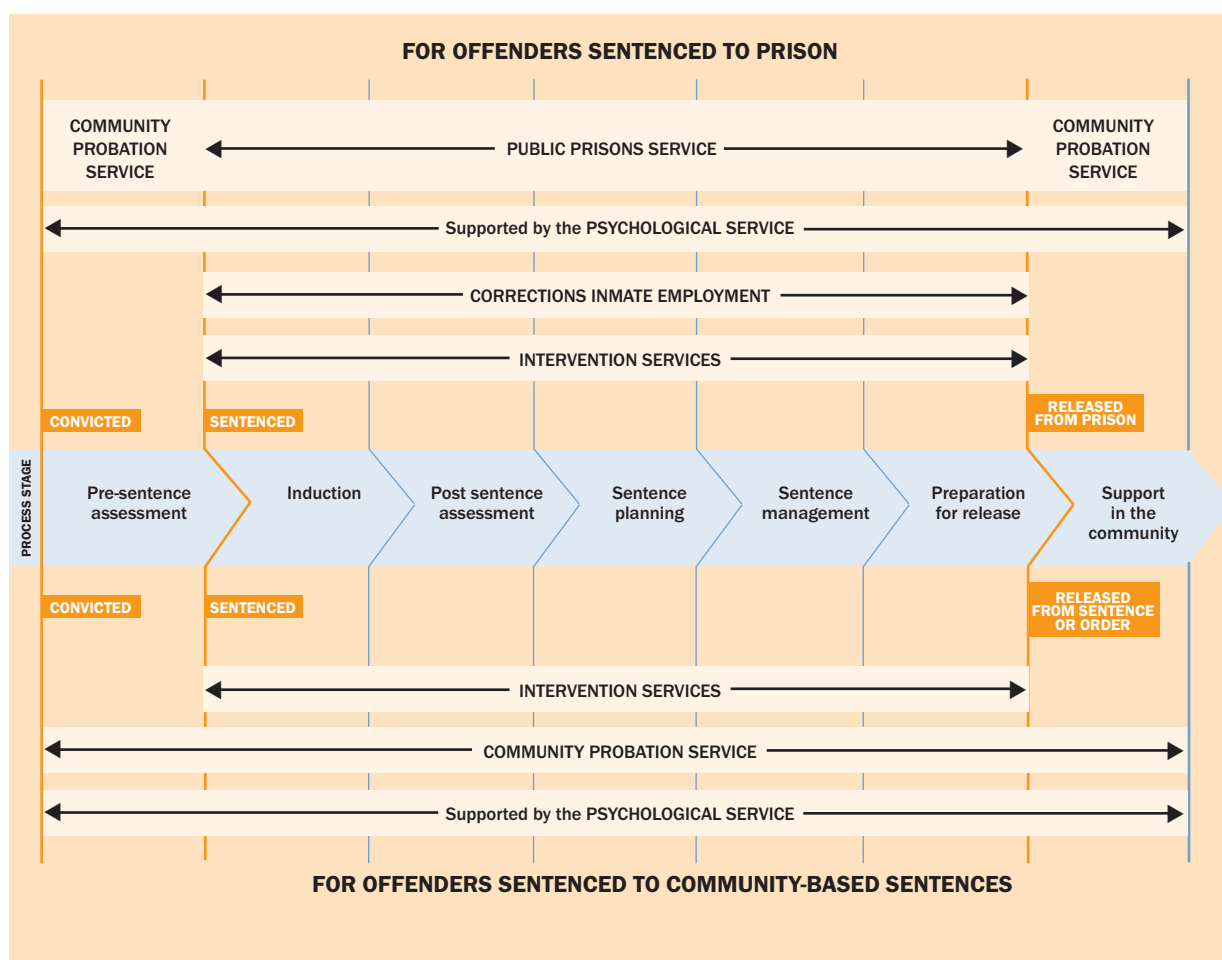


TABLE 3: OFFENDER MANAGEMENT PROCESS

The integrated approach to the management of offenders is underpinned by tools for assessing an offender's risk of re-offending and their particular criminogenic needs. For higher-risk offenders, needs are closely matched with interventions that focus on rehabilitation. For lower-risk offenders, reintegration into the community is the key element of an approach designed to support a transition to a crime-free lifestyle.

Further details of the Department's approach to managing offenders are available on the Department's website, [www.corrections.govt.nz](http://www.corrections.govt.nz).



## Part 2

Achievements in 2005/06





## OVERVIEW OF ACHIEVEMENTS IN 2005/06

The Department has made considerable gains in recent years towards its outcome of 'protecting the public'. While the Department continued to consolidate these gains during 2005/06, there was a shift in emphasis towards enhancing and expanding the rehabilitative and reintegrative initiatives which contribute to its second outcome of 'reducing re-offending'.

### Introduction

In 2005/06, the Department moved to enhance the progress already made across both of its outcomes. The Department identified and agreed with Government a number of priority areas for development during 2005/06. In terms of 'protecting the public', it was agreed that the Department would:

- Improve the management of offenders serving short prison sentences, including when they are under supervision in the community.
- Trial new technologies for electronic monitoring.
- Enhance prison security through monitoring prisoners' telephone calls and improved crime prevention information capability.

Initiatives aimed at 'reducing reoffending' included:

- Improve the focus on rehabilitation of offenders in prison and in the community.
- Increase focus on and enhance reintegration of prisoners back into the community.
- Ensure offenders in prison and on home detention receive appropriate industry training and assistance with finding sustainable employment.
- Enhance offender management processes and systems to maximise integration across the Department and with other agencies.

Specific initiatives under these priority areas were also agreed. Progress against these initiatives is reported in the next section on Key Initiatives Delivered in 2005/06. As the year

progressed, changes were made to these priorities as the Government's refined its priorities for the next decade, including those relating to the justice sector.

The challenge for the 2005/06 year was one of consolidating and advancing the gains made towards 'protecting the public' – against a backdrop of continuing pressures on existing and new facilities and infrastructure from the increasing numbers of prisoners - while at the same time trialling and introducing new technology and other measures to improve prison security and the enforcement of sentences.

Hand in hand with this, the increased focus on 'reducing re-offending' saw the review of existing rehabilitation and reintegration programmes, the development and piloting of new programmes and new services such as supported accommodation for prisoners following their release, and the introduction of new policies and strategies such as the *Prisoner Employment Strategy 2006–2009*. A key Government initiative, the strategy looks to increase the range, quality and relevance of employment-related opportunities and qualifications for significantly more prisoners in the medium to longer term future.

### PROTECTING THE PUBLIC

#### Prisoner numbers

Over the last decade, the significant growth in throughput and demand for the Department's services has had major implications for its core infrastructure, with prisons ageing

and/or inadequate in terms of their capacity to handle the increasing number of offenders receiving a custodial sentence. Prosecution rates have increased and the most serious offenders are now receiving longer sentences. Legislative changes in the last five years have also had flow-on effects in terms of the increasing number of prisoners, the full impact of which has still to be felt.

#### Facilities and Infrastructure

To meet the forecast and actual increase in prisoner numbers, the Department embarked on one of New Zealand's largest construction, commissioning and recruiting projects – the Regional Prisons Development Programme. The programme will see four new regional prisons built and add 1,621 new beds to the prison system by 2007.

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

The second of these facilities, the Auckland Region Women's Corrections Facility in Manukau, was completed in May 2006 and officially opened in June 2006. The first prisoners were received on 2 August 2006 and the prison will be operating at normal capacity by December 2006. This was a significant achievement as the facility size was increased from 150 to 286 beds part-way through the construction programme to meet continued growth in female prisoner numbers.

Construction of the remaining two new regional corrections facilities - the 650-bed Spring Hill Corrections Facility between Meremere and Te Kauwhata and the 335-bed Otago Region Corrections Facility at Milburn, south of Dunedin - progressed to plan during the year, with construction on target to be complete in 2007.

The significance of the achievements of the Regional Prisons Development Project cannot be under-estimated. A project of such scale delivering modern well-built facilities to a tight timeline is an enormous credit to all involved.

While new prisons have been important, the expansion of cell capacity at existing sites has also been critical to meeting increasing prisoner numbers. During 2005/06, a total of 413 new beds were commissioned at existing sites. Overall, in the three years to mid-2007, a total of almost 2,400 new beds will have been added to the prison system.

Despite this increase in capacity, average occupancy of available beds during the 2005/06 year was 97.7 percent, with an average prison population of 7,605 prisoners as at 30 June 2006. This rate was slightly down from 99.2 percent in 2004/05, but still above the 2003/04 rate of 96 percent. The rate was also above the optimum rate of prison utilisation of between 85 and 95 percent, which allows facilities to accommodate the transfer of prisoners, provide for special purpose accommodation (for example, protection units), provide separate facilities for different security levels, and facilitates the management of short-term fluctuations in prisoner numbers. During 2005/06, the occupancy rate peaked at 102.6 percent in December 2005, including the use of the Department's disaster recovery capacity and double bunking in some accommodation, requiring the temporary use of police and court cells to meet demand. This occupancy rate is expected to drop with the opening of the two remaining new corrections facilities during 2007.

During the year, work continued on the maintenance and improvement of existing facilities and other assets, ensuring facilities and infrastructure support the effective management of offenders and facilitate rehabilitation.

Ohura Prison was closed on 30 November 2005 as planned with prisoners, most staff and other resources transferred to Tongariro/Rangipo Prison. New prison huts providing 120 new beds were commissioned at Tongariro/Rangipo Prison and the Ohura Prison huts successfully relocated to Waikeria Prison where they could be re-used with minimum rebuild.

To assist with the rehabilitation of prisoners and their reintegration back into the community, 80 new self-care beds have been commissioned in the last two years. Plans for the Department's first Pacific Focus Unit were also integrated into the commissioning of the new Spring Hill Corrections Facility, with construction of special facilities to support the unit progressing in conjunction with the overall building programme.

The 2005/06 year also saw the successful transfer of the Auckland Central Remand Prison (ACRP) from private management to the Department on 12 July 2005, which was achieved with minimal disruption to prisoners and unit routines.

#### **Prison Security and Escapes, Assaults and Contraband**

The Department constantly reviews and improves security measures at its prisons to minimise escapes, reduce contraband (including drugs), and improve staff safety. An additional \$4.1 million over four years was included in the 2005 Budget to bolster prison security measures and crime prevention initiatives, including setting up monitoring of prisoner telephone calls and increasing staff to collect and analyse information obtained through that monitoring.

As a result, the 2005/06 year saw the continued strengthening of the Department's crime prevention and

security capacity. The rollout of generation one electrical security systems in prisons, begun in 2004/05 at the Northland Region Corrections Facility, continued. This improvement will lead to standardisation of security systems by providing centralised control room operations at each prison, improved staff management of the increased security information the systems will provide, and staff training and asset management efficiencies.

Work commenced on the Crime Prevention Information Capability (CPIC) system project. The project will see the collection and analysis of information obtained through monitoring measures to inform decision-making in the prevention and management of prison incidents, to develop strategies to counteract threats to security objectives, and to promote the prevention and detection of crime. Operational procedures for the project were trialled at the Northland Region Corrections Facility in 2005. Specifications for a secure database were then completed, a request for proposal for the database was released and tenders evaluated. At the same time, specifications for telephone monitoring were developed, business process requirements defined and tenders called for and evaluated. The CPIC organisational structure was approved, enabling recruitment of staff for both this project and telephone monitoring, and implementation of the management of change process for existing staff. Work on the CPIC system and telephone monitoring will continue in 2006/07.

Although the average prison population increased by 9.3 percent between 2004/05 and 2005/06, the total number of prisoner escapes against all security classifications increased by only one, from 19 to 20. Of the total escapes, breakout escapes remained the same at 11. While the trend in breakout escapes per 100 prisoners has increased marginally over the last few years, over the longer term, these have reduced by over a third from 0.23 escapes per 100 prisoners in 1998/99 to 0.15 per 100 prisoners in 2005/06.



Despite the increased prisoner numbers, serious assaults on staff reduced from nine in 2004/05 to seven in 2005/06. The number of assaults on staff per 100 prisoners has continued to trend downwards over recent years. Although there have been some fluctuations in results by year, the 2005/06 result of 0.9 assaults per 100 prisoners compares favourably with a recent peak 0.28 in 2001/02, and with 0.81 in 1997/98 and 0.79 in 1998/99.

Tougher contraband detection measures have seen the number of contraband confiscated from prison visitors more than double in the last three years. A total of 1,509 items were confiscated from prison visitors in 2005, up from 698 in 2003. Drugs and drug-related equipment accounts for the majority of seizures at checkpoints with 1,061 items confiscated from visitors in 2005.

The number of cell phones detected has risen four-fold since 2003, when 252 cell phones, chargers or SIM cards were confiscated from visitors or found on prison premises. In 2005, that number rose to 1,047. In response to concern about prisoners using mobile phones from within prisons, the Department established a joint project with Telecom New Zealand and Vodafone New Zealand to examine options and introduce measures for managing the unauthorised use of mobile phones in prisons.

In addition to these measures, the number of general random drug screening tests carried out on prisoners increased by 5 percent in 2005/06. The results reinforced the effectiveness of the security measures in that the number of tests returning positive results dropped from 17 percent in 2004/05 to 15 percent in 2005/06, continuing the downward trend from 22 percent in 2001/02.

#### **Community-based Sentences**

The Department managed approximately 65,000 sentences and orders in the community during 2005/06. Of this total, by far the biggest portion was around 45,000

community work sentences. This led to over two million hours of free labour being provided by offenders to communities. During the year 41,420 new sentences and orders were commenced. The judiciary received 25,777 reports on individual offenders from Probation Officers.

The Community Probation Service (CPS) was again well supported in managing these sentences and orders by community work sponsors, providers of programmes for domestic violence, sex offending and substance abuse, as it was with the provision of support from the Psychological Service and the delivery of criminogenic programmes by Intervention Services. The Community Residential Centres continued to be an important part of the work done by the Community Probation Service, as was the support provided by Chubb New Zealand Limited for electronic monitoring.

Relationships with those agencies CPS works with in the community were further cemented, particularly with the Police, Child Youth and Family, Courts and Housing New Zealand Corporation. This was particularly enhanced through the design and set up of Support Planning Meetings for high-risk child-sex offenders as part of their entry back into the community from prison. These inter-agency Support Planning Meetings will be implemented nationally during 2006/07.

Enforcement of sentences and orders continued to be a focus for staff, with 18,626 formal breach or recall actions being commenced during the year. The majority of these actions were for community work, which is to be expected given the very high volume of offenders on this sentence. The numbers reflect considerable work by Probation Officers to ensure offenders comply with the conditions of their sentence or order and to take enforcement action if they do not.

During the year, trials got underway to test the possibilities of expanding the technology used for electronic monitoring, via global positioning systems (GPS) and voice verification.

By year-end, the trials were into their second phase and testing had started with offenders rather than staff, as was the case with Phase one. The trials will be completed during 2006/07.

Continuing to improve the way that advice is provided to the judiciary to assist with sentencing and to the New Zealand Parole Board to assist with prison release decisions remained a priority. Reviews were conducted in conjunction with the judiciary to improve the content and format of pre-sentence reports. Work was also undertaken across the Department to improve the design of pre-release processes, the information and reports provided to the Parole Board. Towards the latter end of the year, a review started into the nature of the assessment tools staff use to identify risk and the particular factors associated with each offender's offending that need to be addressed during their sentence.

Considerable work was done on identifying ways that the existing community-based sentencing structure (Community Work and Supervision) could be strengthened as part of the cross-sector Effective Interventions project led by the Ministry of Justice. As a result, the Government announcements in August 2006 on the overall Effective Interventions package included a redesigned community sentence structure. Detailed design and implementation will be undertaken during 2006/07 with an expected start date for the whole structure of 1 October 2007.

#### **REDUCING-REOFFENDING**

##### **Rehabilitation Interventions**

Rehabilitative interventions remain a cornerstone of the Department's strategy for delivering on the core outcome of 'reducing reoffending'. A major focus in 2005/06 was the review, enhancement and expansion of existing rehabilitation and reintegration initiatives.

Research continued during the year into the potential treatment of high-risk sex offenders against adults. This

culminated in a pilot programme which will be completed in October 2006. Good progress was also made with research into a potential pilot treatment programme for high risk (psychopathic) offenders. Design was completed on a women's criminogenic programme (kowhiritanga) and a comprehensive revision was completed of the Violence Prevention Unit programme that is run from Rimutaka prison. The Drug Treatment Units in prisons were also evaluated this year with a final report due later in 2006.

Also during the year, analysis of the Rehabilitation Quotient results that were presented in the 2004/05 Annual Report, together with the evolving knowledge about what works best with offenders, led to a rethink in the way that some of the Department's criminogenic programmes should be designed and delivered. Two programmes were stopped in March 2006 – a 70-hour Straight Thinking programme and a 100-hour programme that was generic in nature. Although they may have been successful for some individuals, neither of these programmes was demonstrating the positive impact on offenders' behaviour that was required to justify continuing with them.

Changes were subsequently made to the mix, design and structure of the Department's suite of criminogenic programmes. These changes resulted in the intensity of the core programmes being substantively increased. The 100-hour programmes were increased to 140 hours and were completely redesigned to be more comprehensive and to allow for offenders to deal with more than one criminogenic need during the programme. This new comprehensive criminogenic programme will be targeted towards medium-risk offenders. The design of this programme was completed by 30 June 2006. Phased implementation will begin in September 2006 and continue throughout 2006/07. These changes were based on recent international research from which the Department determined that its existing programmes were not long enough, of sufficient intensity or

comprehensive enough to result in the most positive impact they could have.

The suite of programmes will now also include a high-intensity 300-hour criminogenic programme targeted towards high-risk offenders in prison and delivered in a special treatment format. This programme will be designed and get underway in 2006/07.

Both of the new programmes will be supported by a new relapse prevention programme.

In addition, a Structured Motivational Programme will be delivered to prisoners serving sentences less than two years in length commencing in July 2006. Other specific rehabilitative strategies under development include programmes for women's criminogenic needs, high-risk sex offenders and very high-risk psychopathic offenders. The effectiveness of other motivational programmes, such as Tikanga Māori programmes, Māori Focus Units and the Faith-based Unit, will also be assessed in the coming year.

#### Reintegration Initiatives

During 2005/06, the Department also increased its focus on reintegrative strategies, such as promoting employment initiatives, to assist prisoners to reintegrate into the community on release, including increasing their chances of obtaining sustainable employment.

#### Prisoner Employment and Training

As mentioned in the Chief Executive's Foreword, a major milestone was the release in May 2006 of the Department's *Prisoner Employment Strategy 2006–2009*. Amongst other things, the strategy aims to significantly increase overall prisoner employment activities over its life.

As well as providing a work ethic and work-based skills and training, industries in prisons provide a range of opportunities for prisoners to obtain credits toward New Zealand Qualifications Authority (NZQA) qualifications, including trade qualifications.

During 2005/06, the number of hours delivered to prisoners in land-based activities (such as farming, forestry, horticulture) and manufacturing activities (including construction and labour-only services) was marginally above forecast, with over 1.6 million hours delivered to an average of 842 prisoners. These prisoners achieved 3,650 NZQA unit standards.

In addition, a total of over 3.5 million hours of on-the-job training was delivered to prisoners working on internal self-sufficiency activities such as kitchen and laundry, cleaning and prison asset maintenance activities. This was 10 percent above forecast and 20 percent above the previous year. Of this total, 1.25 million hours in NZQA-based activities were delivered to an average of 590 prisoners, who achieved 1,917 NZQA unit standards.

In total, 5,567 NZQA unit standards were achieved by prisoners in 2005/06, an increase of over 52 percent on the previous year total of 3,643 unit standards. Improvements to the delivery of on-the-job training such as the use of external trainers or assigning instructors as "specialist trainers" also resulted in these qualifications being achieved in half the number of prisoner employment hours expected - averaging 308 hours for land-based activities (forecast 588 hours), 761 hours for manufacturing activities (forecast 1,692 hours), and 651 hours for internal self-sufficiency services (forecast 1,058 hours).

Vocational training is an important tool for increasing the numbers of prisoners in quality employment training and providing them with skills required for employment. During 2005/06, the number of prisoners who commenced Public Prison Service vocational training and the percentage who received a qualification were over 20 percent above forecast, reflecting the positive trend established over the previous two years. Corrections Inmate Employment also commenced new training in elementary construction skills at the Northland Region Corrections Facility in November 2005, with one further construction course



and two new courses in horticulture and forestry commenced in the first half of 2006.

Release-to-work is a key aspect of the Prisoner Employment Strategy. A review of release-to-work policies was undertaken during 2005/06 and work is continuing to identify and remove barriers to making prisoners available for release-to-work. Operational policy and practice is being revised to ensure greater prisoner participation without compromising community safety. The Department is also working with the Ministry of Social Development to use their skills and resources to secure additional employment opportunities.

#### **New Reintegration Initiatives**

As well as focusing on improving existing reintegration programmes, the Department trialled and introduced several new initiatives during 2005/06 to assist prisoners to reintegrate back into the community on release.

Joint Prisoner Reintegration teams are being set up in each prison comprising Work and Income reintegration case workers and departmental reintegration workers as mentioned in the Chief Executive's Foreword.

In collaboration with Housing New Zealand Corporation and the Auckland Prisoners' Aid and Rehabilitation Society (PARS), the Department also undertook a supported accommodation pilot service in Auckland for high-need offenders. At year-end, the target of securing eight properties for the pilot in Auckland had been achieved, with a further two properties secured from July 2006. At 30 June 2006, five of the eight properties were tenanted, with the remainder to be tenanted by high-need offenders due for release in early 2006/07. An evaluation of the pilot will be undertaken in late 2006.

#### **CAPABILITY**

During 2005/06, as outlined in the Chief Executive's Foreword, further positive progress was made on the ongoing process of integrating the Department's functions and was the

bedding in of the Department's value statement – PRIDE.

Negotiation of the 2006 Collective Employment Agreements was also a primary focus for the year. The successful conclusion of collective bargaining covering most collective agreements establishes a stable foundation for focussing on our organisational culture and values.

Training of managers and staff is also an integral part of improving departmental capability. The Department's Management at Corrections programme has seen the development of training modules on health and safety, responsiveness to Māori, performance management, and finance and business information. 2005/06 saw a larger than planned uptake of the Department's Management at Corrections programme modules. Originally, 380 attendees were planned, however a reprioritisation of management development initiatives allowed 525 managers to attend training modules by year-end. Development also started in 2005/06 on two new modules covering induction, recruitment and selection training, and management coaching that will be available in 2006/07.

Also in 2005/06, a new comprehensive 22 module training package for managers and Probation Officers in the Community Probation Service was launched, aimed at improving performance in assessing, and managing offenders in the community, and in working with other parts of the Department and external agencies. A total of 108 Probation Officers received the new training in 2005/06, and 385 Community Probation Service frontline staff and managers received Effective Offender Management (EOM) training.

#### **AWARDS**

Finally, the 2005/06 year was a landmark one with the Department winning a number of prestigious awards.

In 2002 the Department introduced its five year Energy Management Strategy. Wide-ranging measures, including incorporating best energy management practice in the design of new facilities, building upgrades and extensions at existing prisons, and achieving energy end-use savings, saw the Department reduce its energy use by 8.6 percent per prisoner and CO2 emissions by 34 percent by 2005.

In August 2005, the Department received the prestigious *Leadership in Operational Sustainability* energy efficiency and sustainability award as part of the Ministry for the Environment's new Govt3 programme, for its efforts to promote sustainability in government agencies. In March 2006, the Department won the public sector category of the *Energy Efficiency and Conservation Authority EnergyWise Awards*.

By 30 June 2006, with the completion of further energy-efficient projects, this reduction in energy use had risen to 9.6 percent per prisoner and 37 percent in CO2 emissions.

In December 2005, the Department also won awards at the New Zealand Institute of Architects' Resene Local Awards and was a finalist in the Ministry for the Environment's Year of the Built Environment Awards. This recognition was for the design of the Northland Region Corrections Facility in balancing the need for cost-effective safety and security with the need to meet environmental concerns.



## KEY INITIATIVES DELIVERED DURING 2005/06

This section summarises the key initiatives delivered during the 2005/06 financial year, in the context of the themes and strategies outlined in the Department's *Strategic Business Plan 2003–2008*.

### THEME 1 – ENSURING EFFECTIVE OFFENDER MANAGEMENT

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

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

#### Initiatives and Achievements 2005/06

*Complete the trials of new technologies for electronic monitoring and report to the Minister on the outcome and recommendations for the future by 30 November 2005.*

*Implement the approved recommendations of the trials of new technologies for electronic monitoring by 30 June 2006.*

Phase One trials of the new technologies for electronic monitoring were completed during 2005, and the results reported to the Minister on 15 December 2005.

As a result of the Phase One trials, it was agreed that the Department would progress to Phase Two in which the new technologies are trialled with offenders. Phase Two trials are scheduled for completion by the end of 2006.

*Introduce appropriate systems and staff to monitor prisoners' telephone calls, in accordance with the approved implementation plan and funding.*

Service specifications for telephone monitoring were developed, and compared with Australian models. Business process requirements were defined, a request for proposal released and tenders evaluated. Work to introduce the telephone monitoring system will continue in 2006/07. Selection, recruitment and training of staff are proceeding in conjunction with the implementation of the Crime Prevention Information Capability System (CPIC) project plan.

*Introduce systems for the collection and analysis of data that contributes to increased crime prevention information capability, in accordance with the approved implementation plan and funding.*

Operational procedures for the Crime Prevention Information Capability (CPIC) project were trialled at the Northland Region Corrections Facility in 2005. Following assessment of the trial, specifications for a secure database were completed, a request for proposal for the database was released and tenders evaluated. The organisational structure was approved, enabling recruitment of staff and implementation of the management of change process for existing staff. Introduction of the systems will continue in 2006/07.

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**Strategy:** *Implement legislative reforms*

#### Initiatives and Achievements 2005/06

*Integrate the Auckland Central Remand Prison into the Department from 13 July 2005.*

Transfer of responsibility for the management of the Auckland Central Remand Prison from GEO Group Australia Pty Ltd to the Department occurred on 12 July 2005 and was achieved with minimal disruption to prisoners and unit routines.

*Strategy: Develop approaches to manage young offenders effectively*

#### Initiatives and Achievements 2005/06

*Implement the revised Young Offenders Units Policy and Operating System and Service Description.*

The Department has revised and implemented its Young Offenders Units policy. This policy includes the replacement of the Equip programme with the Focus programme. The Focus programme has been formulated after a year of piloting and is designed for young offenders in the motivation and intervention categories and aims to improve cognitive and social skills.

A test of best interests, a tool to inform youth placement decisions, has also been developed and will be implemented in the coming year, commencing with a pilot at Waikeria Prison and Christchurch men's prisons and all women's prisons. The pilot will be reviewed following six months of operation and this will inform full implementation of the test.

*Strategy: Monitor application of offender management processes*

#### Initiatives and Achievements 2005/06

*Commence implementation of new initiatives, revised processes and procedures for more effective cross-service management of short serving prisoners by April 2006:*

- *Complete the analysis of the profile and characteristics of short serving prisoners including the period they are on community supervision by 30 September 2005.*
- *Complete a review of the operational design of processes and procedures in the Public Prisons Service, Corrections Inmate Employment, Intervention Services and the Psychological Service as they relate to the management of short serving prisoners by 31 October 2005.*
- *Complete an operational framework for more effective management of short serving prisoners by December 2005.*
- *Complete implementation planning of the framework, including completing operational redesign work by 31 March 2006.*
- *Commence implementation of the framework by April 2006.*

Background work on the profile of short serving prisoners and the analysis of current processes was finalised in July 2006. The design of the operational framework and implementation planning will now be completed in the 2006/07 year.

The need to co-ordinate the development of a revised operational framework for managing short serving prisoners with the initiatives proposed under the Department's *Prisoner Employment Strategy 2006–2009* affected timeframes for this initiative. The strategy was approved by Cabinet and launched by the Minister in May 2006. Background work on the profile of short serving prisoners and the analysis of current processes were finalised in July 2006. The design of the operational framework and implementation planning will now be completed in the 2006/07 year.

*Implement by June 2006 an improved planning and reporting process for offenders transitioning from prison, aimed at improving integration of activities within the Department and between the Department and the New Zealand Parole Board:*

- *Review of planning and reporting processes between the Public Prisons Service, Community Probation Service, Psychological Service and the New Zealand Parole Board completed by 31 December 2005.*
- *Implement revised content and format of pre-release reports from the Department to the New Zealand Parole Board by 31 December 2005.*

The existing planning and reporting processes were reviewed in consultation with the New Zealand Parole Board, and revised processes and pre-release reports agreed. Necessary changes to the Department's computer systems are required to fully implement the revised processes and reports. Solutions were developed to allow introduction of an interim improved report structure, including provision of the revised format and content of pre-release reports to the Board. The improved reports will be provided from October 2006. Implementation of the final report structure and reports will take place later in 2006/07 once the changes to the computer systems have been completed.



## Theme 1 – Ensuring Effective Offender Management

## PROTECTING THE PUBLIC

*Implement initiatives to improve sentence planning and sentence management for offenders in prison by 30 June 2006.*

A revised sentence management integrity framework, revised training package, and quality assurance assessment tool and user guide have been implemented in all prisons. The quality assurance tool specifies monthly sentence management progress reports by site and quarterly reports to the Public Prisons Service National Office.

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**Strategy:** *Work collaboratively with other agencies*

### Initiatives and Achievements 2005/06

*Develop an appropriate framework and mechanisms for ensuring strong collaborative relationships with other agencies (including government departments) at a national and local level.*

The Department adopted and promulgated a revised approach and framework for the management of interagency agreements. The new framework comprises a three-tier structure comprising national-level strategic agreements, national-level operational agreements, and regional-level agreements. Notwithstanding the nature of the particular agreement adopted, the provisions of the agreements will be incorporated, where appropriate and relevant, into departmental operating manuals and procedures.

By year-end, a number of new agreements based on the new approach and framework had been agreed. These included a national-level operational agreement with Child, Youth and Family on the sharing of information on home detention applications and suspected child abuse and/or neglect.

*Implement improved information sharing between agencies following the implementation of the Corrections Act 2004.*

Section 182 of the Corrections Act 2004 provides for the sharing of information between specified agencies about child-sex offenders.

An interagency agreement between the Department of Corrections, Child, Youth and Family, Housing New Zealand Corporation, the Ministry of Social Development and the New Zealand Police was developed and signed by all agencies. Following discussions between the Department and Child, Youth and Family on implementation issues, exchanges of the Child-sex Offenders List and disclosures commenced from 1 March 2006. The Department and Child, Youth and Family held eleven workshops around the country during February and March 2006 explaining the interagency agreement and exchange of the Child-sex Offenders List.

*Contribute to the Ministry of Justice-led review of Home Detention.*

In the first half of the year, the Department worked with the Ministry of Justice on scoping of the review. This review was then absorbed into the overall Ministry of Justice-led Effective Interventions project. The Department contributed to the preparation of the changes to home detention announced by the Government in August 2006 as part of the approved overall Effective Interventions package.

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**Strategy:** *Develop and maintain strong relationships with communities and community organisations*

### Initiatives and Achievements 2005/06

*Implement the induction, refresher and skills-based training programme for volunteers in all public prisons in accordance with the approved plan for the implementation of the Department's volunteers' policy.*

The Department has developed and implemented induction, refresher and skills-based training programmes for volunteers in all Public Prisons Service regions.

*Develop and implement strategies for the growth of the volunteer base in all public prisons.*

The Department actively engaged with individuals and volunteer organisations to develop relationships, address concerns and remove barriers to encourage the involvement of more volunteers in prisons. As a result, the number of registered volunteers has grown from approximately 1,500 to 2,900 volunteers. The Department is continuing to proactively seek opportunities to increase this growth.

## THEME 2 – IMPROVING RESPONSIVENESS TO MĀORI

The Department has identified the criticality of effectively addressing the needs of Māori offenders, who comprise over 50 percent of the prison population and over 45 percent of new starts on community-based sentences. Its *Māori Strategic Plan 2003–2008* outlines opportunities to build relationships and strengthen communications between Māori and Corrections. Participation of Māori in the Department's activities and initiatives will improve the effectiveness of the services that Corrections provides and help to achieve the contributory outcomes of protecting the public and reducing re-offending.

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

### Initiatives and Achievements 2005/06

*Develop the operating requirements for the Pua Wananga and the Kaitiaki Model for the Northland Region Corrections Facility.*

This project is close to completion. Ngati Rangī and prison management have been closely involved in the development of a Māori cultural framework for the Pua Wananga. This framework provides a tikanga Māori environment that motivates prisoners to address their offending behaviours and supports prisoner reintegration activities.

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**Strategy:** *Include and engage Māori whānau and hapu*

### Initiatives and Achievements 2005/06

*Continue the development and implementation of initiatives contained in the Whānau Involvement Plan including:*

- *investigate maximising the Whānau Liaison Worker's role to include women inmates, non-Māori Focus Unit inmates and youth.*
- *develop an interagency framework to improve access to services for inmates' whānau, within the context of the ongoing pilot reintegration initiatives.*
- *investigate the feasibility and key features of a mentoring model for youth (tuakana/teina).*
- *undertake a facility stocktake to determine opportunities for more effective engagement between offenders and their whānau in corrections facilities.*
- *develop a 'working with whānau' guide as a practical resource for the Department's Services.*

The five projects under this initiative were reviewed in late 2005, resulting in three of the five projects being withdrawn from the work programme. Preliminary work on the project to develop an interagency framework to improve access to services for prisoners' whānau indicated a number of reintegration initiatives already existed across the Department which are effectively improving access for prisoners' whānau. Findings on the project to investigate the feasibility and key features of a mentoring model for youth (tuakana/teina) indicated high costs and pressure on Public Prisons Service and Probation and Offender Services staff would make this project unfeasible.

During the year, there was also a shift in the Department's emphasis to focus on policy initiatives to develop and strengthen tikanga Māori operating models for prisons which will more effectively contribute to reducing Māori re-offending. This shift in focus led to a decision that there were other initiatives of a higher priority than the project to undertake a facility stocktake to determine opportunities for more effective engagement between offenders and their whānau in corrections facilities.

Considerable progress was made on the remaining project to maximise the role of Whānau Liaison Workers. Full consultation with all involved resulted in a smooth transfer of the roles from the Psychological Service to the Public Prisons Service, and work has commenced to widen the scope of the roles to include women prisoners, non-Māori Focus Unit prisoners and youth. This work will be completed in 2006/07.

The remaining project to develop a 'working with whānau' guide was also completed.

The Department continues to ensure that opportunities to involve whānau in key offender management components such as assessment, induction, sentence planning, and sentence management and reintegrative processes etc, are maximised where appropriate.

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*Strategy: Integrate Māori world views into programmes and services*

#### Initiatives and Achievements 2005/06

*Implement the Tikanga Māori Programme for women serving community-based sentences (subject to the outcome of the evaluation of the pilot in July 2005).*

Successful pilots of the Wahine Tikanga Māori Programme for women serving community-based sentences were completed at Community Probation Service sites in the Hawke's Bay/Gisborne and Taitokerau areas. The programme will be available nationally from September 2006.

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*Strategy: Build the responsiveness of the Department*

#### Initiatives and Achievements 2005/06

*Develop mechanisms through which the Department can optimise Māori responsiveness initiatives to achieve better outcomes for Māori.*

This project, including its description, project plan and key milestones, were reviewed to reflect the shift in the Department's emphasis to focus on policy initiatives to develop and strengthen tikanga Māori operating models for prisons which will more effectively contribute to reducing Māori re-offending. The description was revised to "Develop an approach to strengthen the Department's effectiveness for Māori in order to reduce re-offending".

The key output of the project will be a toolkit that measures the Department's effectiveness for Māori offenders. Initial analysis has been completed and work will continue in 2006/07 in conjunction with the related review of the Framework for Reducing Māori Offending (FReMO). FReMO is an analytical tool designed to guide the development of policy, interventions and research. It provides a step-by-step process that highlights each of the key areas such as the Māori perspective and the enhancement of tikanga Māori that must be factored in as being crucial to successful outcomes.



## THEME 3 – CONTRIBUTING TO REDUCING RE-OFFENDING

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

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

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

### Initiatives and Achievements 2005/06

*Integrate the activities of the Department's major reintegrative service providers within the framework of the Department's new reintegrative initiatives.*

The Department liaised directly with the New Zealand Prisoners' Aid and Rehabilitation Society (NZPARS) to ensure the delivery of reintegrative services and to facilitate appropriate interaction between prisons-based WINZ reintegration case workers and the Department's reintegration workers. This work is continuing as detailed operating guidelines are developed for the new departmental reintegration workers. The Auckland Prisoners' Aid and Rehabilitation Society (PARS) is also contracted to provide the Department's supported accommodation pilot service in Auckland, contributing to the closer alignment of NZPARS activities and the Department's reintegrative initiatives.

*Implement initiatives associated with improvement in the quality of programme delivery to offenders in prison and in the community by 31 December 2005.*

The focus during 2005/06 was to develop and implement a credentialing process for programme facilitators as the first key step in implementing quality improvements to programme delivery. This required alignment with a number of other related activities including performance management, facilitator training and supervision. Preparation for the credentialing process commenced in late 2005. The credentialing panel, implemented to assess facilitators' skill level, was appointed and will meet during the first quarter of 2006/07.

*Improve the design of measurement tools to better identify the reconviction and re-offending rates of offenders who have participated in the major rehabilitative interventions, by July 2005.*

The Recidivism Index (RI) and Rehabilitation Quotient (RQ) methodology was extensively revised and refined, and fully automated within the Department's data warehouse. The completion of this 18-month project in July 2005 enabled valid RI and RQ results to be calculated for inclusion in the 2004/05 Annual Report. Further refinement of the methodology continued throughout 2005/06.

*Establish 13 reintegration workers in prisons to co-ordinate reintegration activities for prisoners by 30 June 2006 and a further three by 30 June 2007.*

A strategy to establish 13 reintegration worker positions in prisons was developed and approved in early 2005/06. Project planning was implemented and an initial three temporary reintegration worker positions were established during the pilot phase of the project. The permanent positions were established by year-end with appointments to be made in 2006/07.

*Following the June 2005 evaluation of outcomes of Reintegrative Support Services for offenders and their families, decide on the future of the initiative by 30 August 2005.*

The current contracts for the provision of the pilots were not renewed, and provision of the current Te Atea and Te Hokinga Mai will cease at the end of September 2006. The future of reintegrative support services will be reviewed in the context of other reintegrative activities, such as supported accommodation and reintegration case workers. This will inform future delivery and reintegrative activity funding bids.

*Implement the changes from the review of the content of the 100-hour Criminogenic Programmes for Offenders in prison and in the community and implement changes by 30 June 2006.*

## R Theme 3 – Contributing to Reducing Re-offending

## REDUCING RE-OFFENDING

During 2005/06 the Department reviewed its criminogenic programmes and agreed to the design of a new suite of criminogenic programmes, including the replacement of the existing 100-hour criminogenic programmes with a new medium-intensity criminogenic programme. Design work on the new medium-intensity programme was completed by 30 June 2006. Phased implementation will begin in September 2006 and continue throughout 2006/07.

*Implement the newly designed Criminogenic Programme, and Structured Individual Programme for women offenders by 31 December 2005.*

The Criminogenic Programme for women was implemented at Arohata Women's Prison during 2005/06. The design work on the Structured Individual Programme was completed. The programme was piloted and is ready for implementation.

*Review the effectiveness of the prison Drug Treatment Units and recommend improvements by 30 June 2006.*

Extensive evaluation of the current Drug Treatment Unit programmes was undertaken and the report on the findings is being finalised. Recommendations on improvements to the units are now due by 31 December 2006.

*Implement a new motivational Interviewing Programme to enhance Probation Officers' capability to improve the motivation of offenders in the community to address their offending by 30 June 2006.*

The development of Motivational Techniques training was completed. Delivery to Probation Officers will take place throughout 2006/07.

*Complete the pilot in Auckland of supported accommodation for high-need offenders by 31 December 2005 and complete the evaluation by 30 June 2006.*

At year-end, the target of securing eight properties for the pilot in Auckland had been achieved, with a further two properties secured from July 2006. At 30 June 2006, five of the eight properties were tenanted, with the remainder to be tenanted by high-need offenders due for release in early 2006/07.

As some delays occurred in securing the properties thereby limiting the number of participants in the early stages of the pilot, evaluation of the pilot has been deferred to December 2006.

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

### Initiatives and Achievements 2005/06

*Complete the research report on the treatment of very high-risk (psychopathic) offenders and design and pilot an intensive group treatment programme for high-risk violent offenders by 30 June 2007.*

The research report on the treatment of very high-risk (psychopathic) offenders was completed and the outline of an intensive group treatment programme for high-risk violent offenders was prepared. Design of the programme will be completed and the programme piloted at Waikeria Prison during 2006/07.

*Complete design and piloting of a new programme for high-risk adult rapists by 30 June 2006:*

- *Implement a pilot intensive treatment programme for high-risk rapists in prison by 30 June 2006.*
- *Evaluate effectiveness of the pilot by 30 June 2007.*

The new programme for high-risk rapists was designed and the pilot commenced in March 2006 at Auckland Prison. A report on the effectiveness of the pilot will be prepared during 2006/07.



*Strategy: Improve outcomes for Pacific peoples*

#### **Initiatives and Achievements 2005/06**

*Integrate the requirements for a Pacific Focus Unit into the commissioning planning for the Spring Hill Corrections Facility.*

Plans for a Pacific Focus Unit were integrated into the commissioning planning for the new Spring Hill Corrections Facility. Construction of special facilities to support the unit is progressing in conjunction with the overall building programme. A detailed operating philosophy was developed, incorporating cultural approaches to pro-social behaviour.

*Promulgate the Department's Pacific Strategy 2005–2008 and progress the initiatives identified therein.*

The *Pacific Strategy 2005–2008* was launched and distributed in July 2005 and the Department progressed the development of a National Integrated Framework for Pacific staff networks. Initiatives included in the strategy were progressed throughout 2005/06. Two permanent Pacific Community Liaison Worker positions for the Auckland and Waikato regions were established. Key policy was developed for the operations of the Pacific Focus Unit and Fale at Spring Hill Corrections Facility, and a guideline produced on Pacific community participation in prisons. Ongoing support was provided to the Chief Executive's Pacific Advisory Group (CEPAG) and to Pacific Advisory Group meetings at Auckland and Waikato, and externally to the Ministry of Pacific Island Affairs senior officials group.

*Strategy: Return young offenders to a positive role in society*

#### **Initiatives and Achievements 2005/06**

*Complete Year 4 of the Reducing Youth Offending Programme pilots in Auckland and Christchurch.*

*Complete the evaluation of the effectiveness of the Reducing Youth Offending Pilot Programme pilot and make appropriate recommendations for the future delivery of the programme.*

The evaluation of the effectiveness of the programme was finalised and a key finding of the evaluation was that the Reducing Youth Offending Programme was more likely to be effective with youth in Child, Youth and Family care rather than those in the Department's care. In April 2006, it was decided to refocus the programme to concentrate on younger offenders. From July 2006, the programme will be managed solely by Child, Youth and Family and delivered only to young offenders in the youth justice system.

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

#### **Initiatives and Achievements 2005/06**

*Review release-to-work policies to ensure optimal numbers of prisoners receive work experience in the community prior to release from prison by 30 September 2005 and commence implementation from October 2005.*

Review of the release-to-work policies is now complete. However, operational issues prolonged the review and the subsequent implementation of recommendations. Release-to-work is also a key aspect of the Department's wider *Prisoner Employment Strategy 2006–2009* released in May 2006 (see the next initiative below). The Department continues to work to identify and remove barriers to making prisoners available for release-to-work. Operational policy and practice is being revised to ensure greater prisoner participation without compromising community safety. The Department is also working with the Ministry of Social Development to use their skills and resources to identify and make additional employment opportunities available.

*Implement new initiatives to improve vocational training and employment outcomes for offenders:*

- *Complete a strategic plan by 31 July 2005 that outlines the direction for offender training and employment and pulls together all activities and initiatives aimed at increasing the emphasis on offenders obtaining skills and experience to obtain sustainable post-release employment.*
- *Develop a business case for industry-accredited training and employment experience for offenders by September 2005.*

## R Theme 3 – Contributing to Reducing Re-offending

## REDUCING RE-OFFENDING

- *Support the Ministry of Social Development with the implementation of its “In Work Support” pilot for offenders released from prison in Auckland.*
- *Continue Implementation of initiatives to place home detainees into work and training.*
- *Implement the new approach to the training and education of offenders in the Young Offenders Units by 30 June 2006.*
- *Support the Ministry of Social Development with the establishment of its offender employment support teams in all regions by 30 June 2006.*

The Department released its *Prisoner Employment Strategy 2006–2009* in May 2006. The strategy sets the strategic platform for the delivery of employment, education and employment-related training within prisons. The strategy recognises the real benefits that developing prisoner work ethic and marketable skills leading to post-release employment can have on reducing re-offending. It also outlines the programme of work necessary to achieve greater prisoner participation in employment, education and employment-related training.

In addition, the Department is now working closely with the Ministry of Social Development. Work and Income case managers and work brokers are now operating at all prisons and assisting prisoners with work and benefit issues prior to release.

## THEME 4 – ENHANCING CAPABILITY AND CAPACITY

To achieve the first three themes the Department requires increased capability and capacity. This theme focuses on ensuring the Department has in place the right resources, people, support systems and infrastructure.

Enhanced capability and capacity is also required to ensure that the Crown assets for which the Department is responsible, are efficiently and effectively used towards the achievement of Government outcomes.

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**Strategy:** *Develop the capability and capacity of staff and managers*

### **Initiatives and Achievements 2005/06**

*Implement the Management Development Programme, including additional core training and development programmes together with support and monitoring tools.*

2005/06 saw a larger than planned uptake of the Department's Management at Corrections Programme modules. Originally, 380 attendees were planned, however a reprioritisation of management development initiatives allowed 525 managers to attend Management at Corrections training modules by year-end.

Attendees on Management at Corrections workshops received a manager toolkit of quick-reference material. As familiarity with this support resource grows, so has the demand for it from non-attendees. Additional copies will be produced in 2006/07 to meet this demand.

Development also started in 2005/06 on two new modules that will be available for delivery in 2006/07. These modules will cover coaching and recruitment/selection.

A specific department-wide management development plan and reporting process was implemented in 2005/06 and has provided a valuable means of monitoring progress against the plan across the Department's Services. The template planning and reporting process will be extended to cover wider department-wide training and development in 2006/07 to aid overall capability planning.

*Complete a review of the capacity of Probation Officers to increase their focus on reintegrative services in line with other initiatives and implement from August 2005.*

Following completion of the review of Probation Officer involvement in reintegrative activities, the time available to Probation Officers to work with offenders in this area was increased. The Community Probation Service has also increased its focus on enabling Probation Officers to work more effectively with other agencies and positions, including Work and Income case workers and departmental reintegration workers.

*Implement by 30 June 2006 a new suite of training for managers and Probation Officers in the Community Probation Service aimed at improving performance in assessing, and managing offenders in the community, and in working with other parts of the Department and external agencies.*

The Probation Officer Curriculum was launched during 2005/06 with 108 new Probation Officers receiving the new suite of training. Community Probation Service managers participated fully in the Department's Management at Corrections training programme, and attended 52 courses covering the Performance Management, Responsiveness to Māori, Finance and Business Planning, and Health and Safety modules. Effective Offender Management (EOM) training was also provided to 385 Community Probation Service frontline staff and managers.

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

#### Initiatives and Achievements 2005/06

*Implement the 2005/06 component of the Department's 2005/08 Health and Safety Strategic Plan.*

2005/06 was a year of significant successes for health and safety. Processes were well bedded in, and much headway was made in training and information.

Key features for health and safety in the Department during 2005/06 included the following:

- The Department's *2005–2008 Health and Safety Strategy* was approved in August 2005. Each Group and Service within the Department produced its own annual plan based on the department-wide strategy, which was implemented and is reviewed on a quarterly basis.
- The Department maintained primary level status in the ACC Partnership Programme. This followed the audit which indicated a number of significant improvements over the previous year, with some areas of the business working at a higher level than Primary.
- The Department engaged a new Third Party Administrator (TPA) and the transfer was seamless.
- In accordance with the Health and Safety in Employment Amendment Act, a system of employee representatives has been in place for two years and this system is working well. A large number of employees have been trained each year.
- The Management at Corrections health and safety training workshop module was implemented.
- Work commenced to standardise the forms used for health and safety and also bring in a document control and version control system.
- The Department joined the Site Safe movement in the construction industry and operates the recognised passport system on all significant construction projects. All supervising staff are also accredited under the scheme.

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

#### Initiatives and Achievements 2005/06

*Continue the development of IOMS and the Department's data warehouse in accordance with the recommendations of the IOMS Review and the Information Technology Operational Strategy 2003–08. Specifically, to ensure that all information required for cross-service management and reintegration of offenders is available in a timely, easily accessible and seamless manner.*

During the year, work continued on the enhancements to and improvement in compatibility of the computerised Integrated Offender Management System (IOMS) and the Corrections Analysis and Reporting System (CARS) in accordance with the work programme identified in the *Information Technology Operational Strategy 2003–2008* and recommendations of the IOMS review. This work included the completion of user requirements by the Department's Groups and Services and the piloting of some non-financial outputs of the CARS system. By year-end, the review and design stages of the full release of the two updated systems were complete and construction of the core work streams nearing completion. Final release is expected in October 2006.

*Strategy: Provide facilities to meet projected demand*

#### Initiatives and Achievements 2005/06

*Continue the implementation of the Regional Prisons Development Project including:*

- *Fully commission the Northland Region Corrections Facility in the second quarter of 2005/06, commence the commissioning of the Auckland Region Women's Corrections Facility, and commence commissioning planning for the Spring Hill Corrections Facility and the Otago Region Corrections Facility.*
- *Complete construction of the Auckland Region Women's Corrections Facility by 31 May 2006, and progress the construction of the Spring Hill Corrections Facility and the Otago Region Corrections Facility.*

The first of the four new corrections facilities, the 350-bed Northland Region Corrections Facility at Ngawha, near Kaikohe, was opened in March 2005. Its commissioning was accelerated due to the growing pressure on prison accommodation, so that it was operating at normal capacity by October 2005.

The Auckland Region Women's Corrections Facility was completed on 31 May 2006. The facility was officially opened by the Prime Minister on 22 June 2006. All operational and commissioning activities proceeded to plan and the first prisoners were received on 2 August 2006. This was a significant achievement as the facility size was increased from 150 to 286 beds part way through the construction programme to meet continued growth in female prisoner numbers.

Construction of the Spring Hill Corrections Facility and Otago Region Corrections Facility progressed to plan with construction on target to be complete in 2007. Commissioning planning was completed and commissioning activities are underway.

*Complete the provision of the additional prison accommodation of 493 beds as approved by Cabinet, including the provision of 80 new self-care beds in prisons by 31 August 2005 to help manage the reintegration of long-term prisoners nearing release from prison.*

The additional 493 prison beds were delivered on time and within budget, including the 80 new self-care beds. A building programme was also approved to provide a further 180 beds and 100 disaster recovery beds. This programme is running to plan.

*Complete the relocation of Ohura Prison to the new unit at Tongariro/Rangipo Prison in the third quarter of 2005/06.*

Ohura Prison was closed on 30 November 2005 as planned, with prisoners, most staff and other resources transferred to Tongariro/Rangipo Prison. Given prison population pressures and building code requirements, it was decided to build new prison huts at Tongariro/Rangipo Prison and relocate the Ohura Prison huts to Waikeria Prison where the Ohura cell huts could be re-used with minimum rebuild. By year-end, 120 new beds had been commissioned at Tongariro/Rangipo Prison, and the Ohura Prison huts successfully relocated to Waikeria Prison.

## MEASURING OUTCOMES – ACHIEVEMENTS IN 2005/06

### Protecting the Public

The departmental outcome of 'protecting the public' is primarily attained by the strategies and initiatives outlined in Theme 1 of the Strategic Business Plan. Progress towards the achievement of the outcome is measured through analysis of data collected across a range of quality and effectiveness measures designed to ensure offenders are being managed in a safe, secure and humane manner. These include measuring and monitoring:

- compliance with, and the administration of, sentences and orders
- the number of escapes that occur from prisons and while under escort or supervision
- the number and severity of incidents, including deaths in custody.

A number of these measures are included in the Statement of Service Performance objectives for output classes 2 to 5 in Part Four of this Annual Report. Other measures are included in the Department's performance management framework or provided from internationally benchmarked data.

### International Benchmarks

As stated in the Managing for Outcomes section in Part One of this Annual Report, the Department has developed close working relationships, and participates in the exchange of information with a number of overseas jurisdictions, such as Australia, Canada, England and Wales, and Scotland. The information exchanged has been used to develop benchmarks comparing performance across a range of indicators, including prisoner-to-staff ratios, costs of securing prisoners and occupancy statistics. This data is important because the Department is not able to compare performance in its core offender management functions against other New Zealand organisations.

In making these comparisons, the Department assesses the comparability of the data in question. Where the jurisdictions have similar business operations, definitions and counting rules, there is high comparability, allowing benchmarking with no adjustments. Where the jurisdictions have similar business operations, but minor inconsistencies in definitions and counting rules, there is medium comparability, providing a reasonable benchmark comparison, although one that may require small adjustments to data and counting. Where the jurisdictions again have similar operations but different definitions and counting rules, adjustments would be required before true benchmark comparisons could be made, and therefore comparability is low. Such adjustments have not been made to the data reported in this Annual Report.

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

The tables on the following pages illustrate the significant progress that has been made in recent years towards improving the Department's performance in a number of key areas. The information is also presented (where relevant) in comparison with the Department's international benchmark jurisdictions.

### Efficiency Indicators

This range of indicators demonstrates the efficient nature of resource management in the Department and in comparison with other benchmark jurisdictions.

#### Cost per Prisoner per Day

One component in determining the performance of the corrections system is an assessment of the basis of the costs of accommodating a prisoner.

The cost per prisoner per day has increased from \$161.91 in 2004/05 to \$188.71 in 2005/06. The major reason for the increase was the “cost of capital” in 2005/06 for new facilities that are under construction or not yet operating at full capacity. If this factor was to be excluded, the cost per prisoner per day would have increased to \$167.30 in 2005/06 primarily due to increased operational costs of meeting higher than forecast prisoner numbers.

International comparisons of costs between jurisdictions are based on the average daily cost per prisoner using the Economist Annual Comparison Index. Despite a trend for increasing costs for New Zealand prisons (largely driven by increased capital investment), New Zealand ranks in the mid-range of the benchmarked jurisdictions.

Comparable figures for the 2003/04 and 2004/05 financial years for England and Wales are not available due to the public prison service being transferred to operate under the National Offender Management Service (NOMS) in June 2004. Previously the prison service operated under Correctional Services as part of the UK Home Office, which included costs associated with private prisons.

FIGURE 1: COST PER PRISONER PER DAY

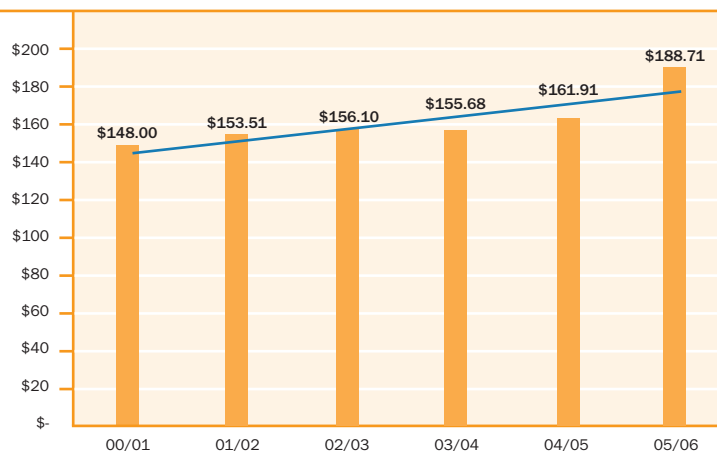
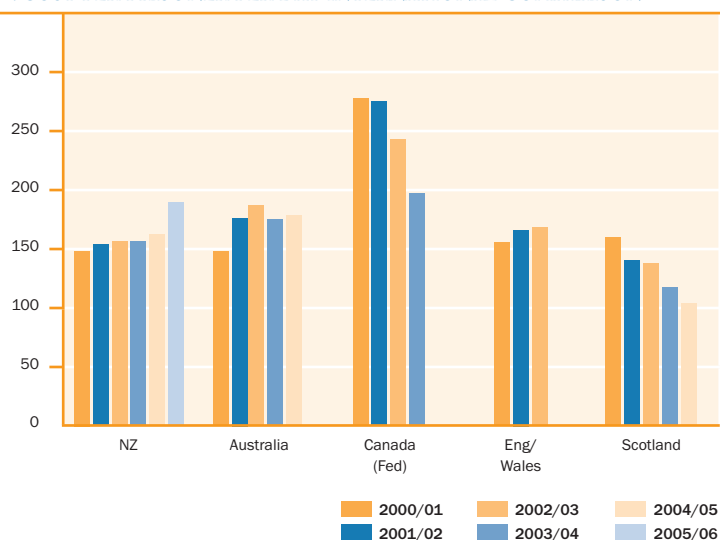


FIGURE 2: COST PER PRISONER PER DAY INTERNATIONAL COMPARISON

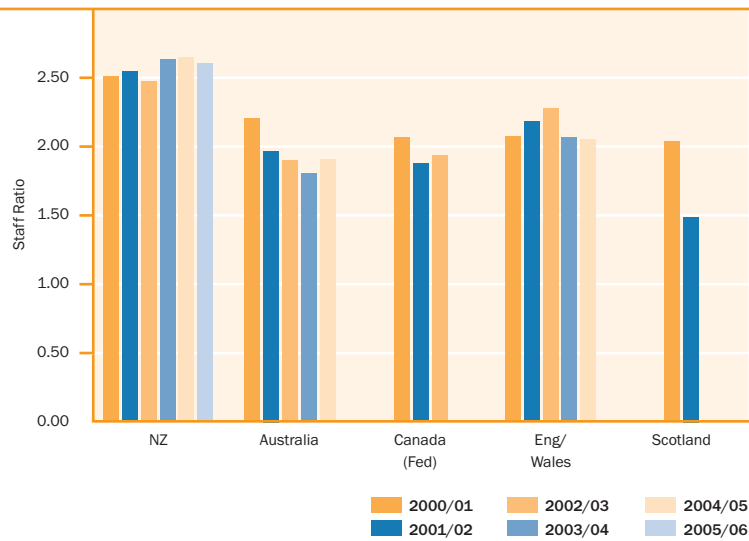




## Measuring Outcomes Report

## PROTECTING THE PUBLIC

FIGURE 3: PRISONER/FRONTLINE STAFF RATIO



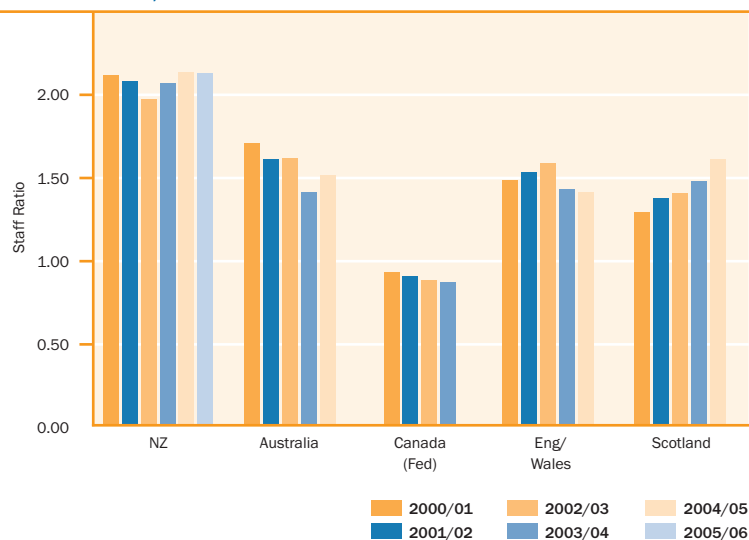
## Prisoner/Frontline Staff Ratio

The ratio of prisoners to full-time equivalent (FTE) frontline staff identifies the number of prisoners for each staff member and thus highlights the level of staff supervision available. Figure 3 compares the ratio of the average number of prisoners per annum to FTE frontline staff at the reporting date, across jurisdictions.

New Zealand has had the highest number of prisoners to each frontline staff member of all the jurisdictions since 2000/01. Scotland had the lowest number (a three-year rolling average ratio of 1.6 from 2000/01 to 2001/02) but has not reported on this measure in the last three years.

*NB: Data not available for Canada 2003/04 and 2004/05 or Scotland 2002/03, 2003/04 and 2004/05.*

FIGURE 4: PRISONER/TOTAL STAFF RATIO



## Prisoner/Total Staff Ratio

New Zealand's ratio of prisoners to total staff exceeds that of the other international jurisdictions. In New Zealand there has been an average of two prisoners to one staff member over the period from 2000/01 to 2005/06.

*NB: Data not available for Canada 2004/05.*

### Occupancy

Occupancy is based on the average number of available (permanent) prison beds and the average prison population for the year.

The optimum rate of prison utilisation is between 85 and 95 percent, which allows facilities to accommodate the transfer of prisoners, provide for special purpose accommodation (for example, protection units), provide separate facilities for males and females and for different security levels, and facilitates the management of short-term fluctuations in prisoner numbers. New Zealand's occupancy rate will fluctuate over time, as new prison facilities are developed to cater for the increases in prisoner numbers. Average occupancy for the 2005/06 year was 97.7 percent.

Of the jurisdictions that provided data in 2004/05, none fell within the preferred range of 85 to 95 percent of design capacity for total prisoners. The comparability of the New Zealand data with the other jurisdictions is assessed as being medium to low.

*NB: Data not available for Canada 2000/01, 2001/02, 2003/04 and 2004/05 or Scotland 2002/03, 2003/04 and 2004/05 or England/Wales 2004/05. Further efforts will be made to obtain information for international jurisdictions over the next financial year; if information continues to be unavailable the jurisdiction will be removed from future reports.*

FIGURE 5: OCCUPANCY - NEW ZEALAND

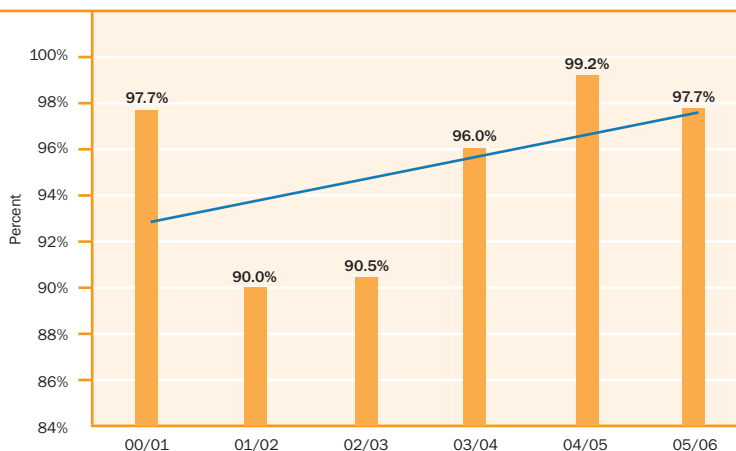
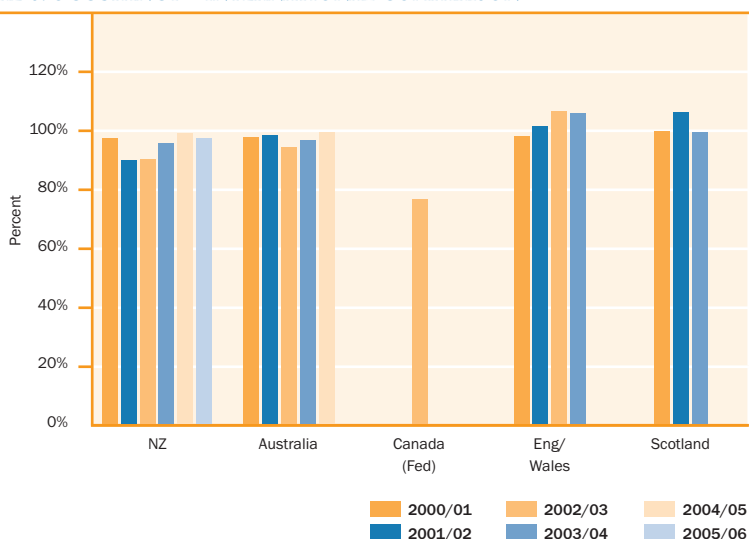


FIGURE 6: OCCUPANCY - INTERNATIONAL COMPARISON



## Measuring Outcomes Report

## PROTECTING THE PUBLIC

FIGURE 7: PRISONER/PRISONER ASSAULT (SERIOUS)

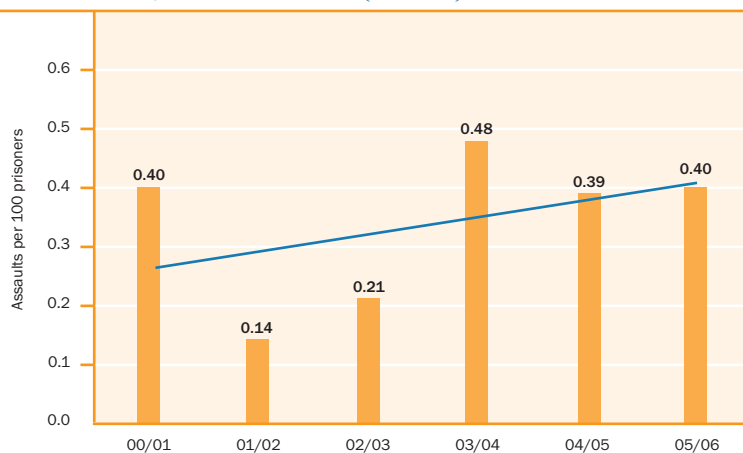
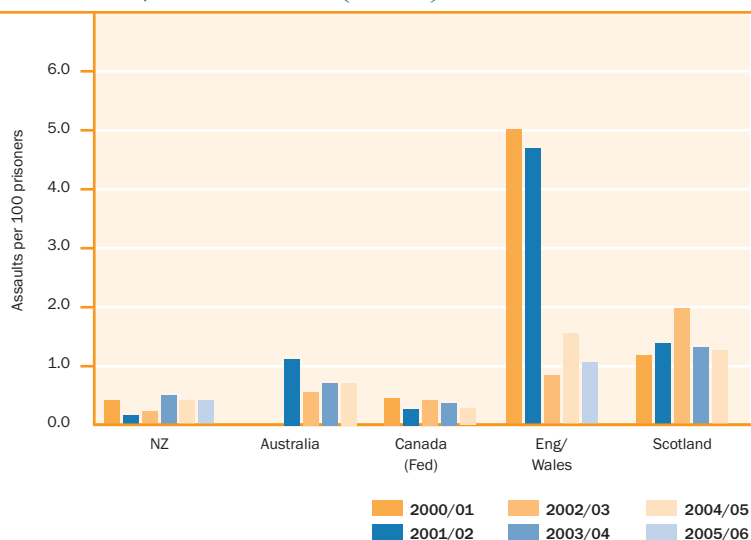


FIGURE 8: PRISONER/PRISONER ASSAULT (SERIOUS) INTERNATIONAL COMPARISON



## Quality Indicators

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

## Prisoner/Prisoner Assault (Serious)

A serious assault is defined as one where the victim requires overnight hospitalisation or ongoing medical intervention. Figures 7 and 8 show the number of serious prisoner/prisoner assaults per 100 prisoners.

There was a decline in the number of serious assaults reported in New Zealand prisons during the financial years 2001/02 and 2002/03. That trend has changed slightly since 2003, but the results are still well below the rates reported during 1997/98. The rate of 0.40 for 2005/06 represents a total of 30 serious assaults by prisoners on prisoners, and a slight increase on the result for the 2004/05 financial year. This represents a very favourable result despite the considerable operational pressures from the continuing high prison population levels.

Internationally, in 2004/05, New Zealand had a rate of serious assaults significantly lower than Scotland, Australia and England/Wales. However, the comparability of the New Zealand data is low with Australia and is not directly comparable with the other jurisdictions because of different counting rules.

*NB: Data not available for Australia 2000/01.*

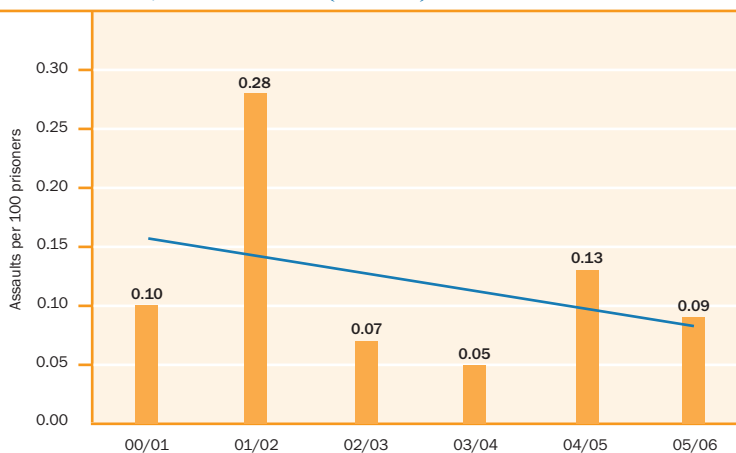
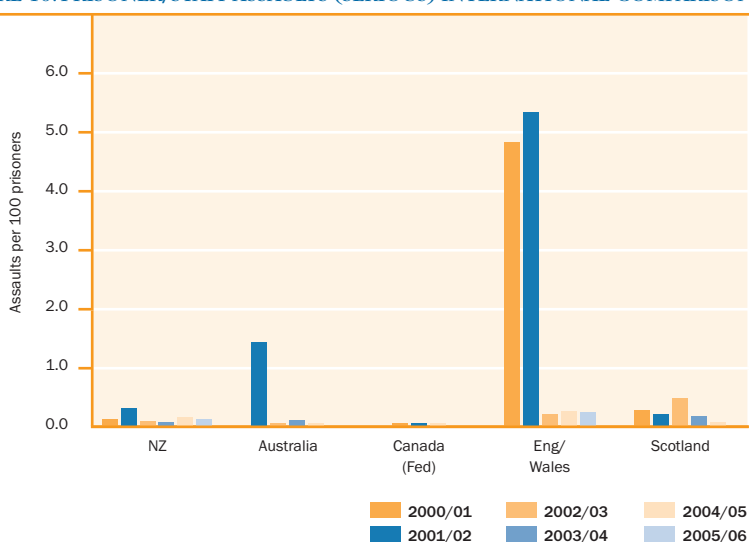
**Prisoner/Staff Assault (Serious)**

Serious assaults by prisoners on staff are those where the victim requires overnight hospitalisation or ongoing medical intervention. The rate of serious assault (prisoner/staff) is reported per 100 prisoners.

There were seven serious assaults on staff in 2005/06 compared with nine in 2004/05, and the overall trend continues to be downward. This represents a very favourable result despite the considerable operational pressures from the continuing high prison population levels.

New Zealand's low rate of serious prisoner/staff assaults is consistent with the other jurisdictions. England/Wales has not provided data for 2003/04, however, its serious assault rate reduced dramatically in the 2002/03 year. It is not apparent whether this is a result of improved prisoner management regimes or reporting/definitional issues. The comparability of this data is assessed as low.

*NB: Canada's reported rate for 2002/03 and 2003/04 was nil.*

**FIGURE 9: PRISONER/STAFF ASSAULTS (SERIOUS)****FIGURE 10: PRISONER/STAFF ASSAULTS (SERIOUS) INTERNATIONAL COMPARISON**

## Measuring Outcomes Report

## PROTECTING THE PUBLIC

FIGURE 11: UNNATURAL DEATHS IN CUSTODY

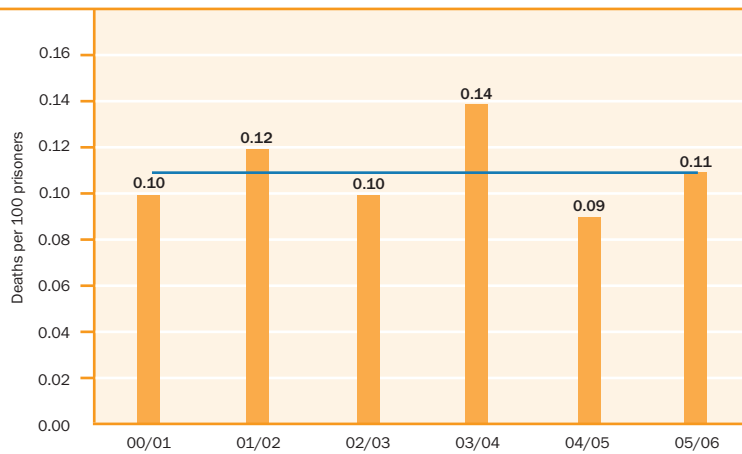
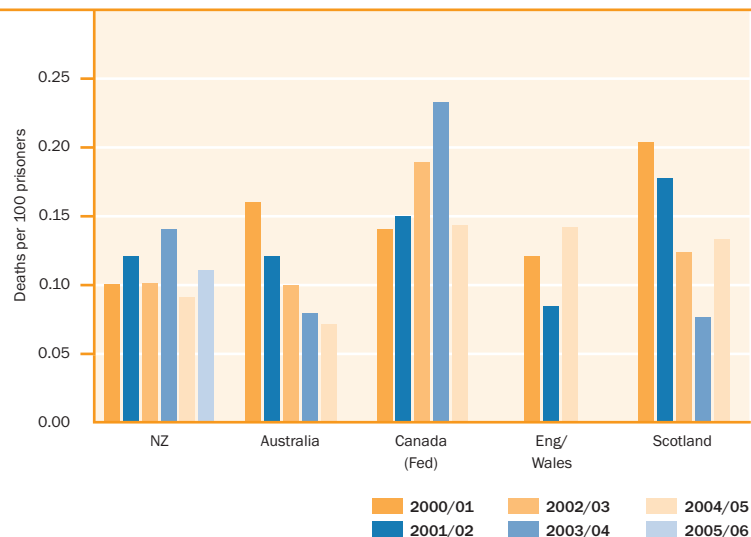


FIGURE 12: UNNATURAL DEATHS IN CUSTODY - INTERNATIONAL COMPARISON



## Deaths in Custody

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

## Unnatural Deaths in Custody

Unnatural deaths include suicides, homicides, deaths by drug overdose and deaths by accident. The majority of unnatural deaths in prisons are suicides.

Recent trends in this area in the New Zealand corrections system remain positive. In 2005/06, there were eight unnatural deaths in prison (0.11 per 100 prisoners) 2004/05, which represents two more deaths than in the 2004/05 financial year.

The rate of unnatural deaths in New Zealand remains below that of Canada, however, it has increased above that of Australia. England/Wales have not supplied data on this measure for the 20002/03 and 2004/05 financial years. The comparability of the New Zealand data is high with all the other jurisdictions.

*NB: Data not available for England/Wales 2002/03 and 2003/04.*

### Suicides in Custody

Prisoner suicide reduction continues to be a key priority for the Department. Figure 13 reports the trend in the number of suicides per 100 prisoners.

There were six suicides (0.08 per 100 prisoners) in 2005/06, two remand prisoners and four sentenced prisoners, one more than in the 2004/05 financial year.

New Zealand's suicide rate has historically been lower than its international benchmark jurisdictions, apart from Canada, where prisoners sentenced to less than two years are not included in the federal statistics.

FIGURE 13: SUICIDES IN CUSTODY

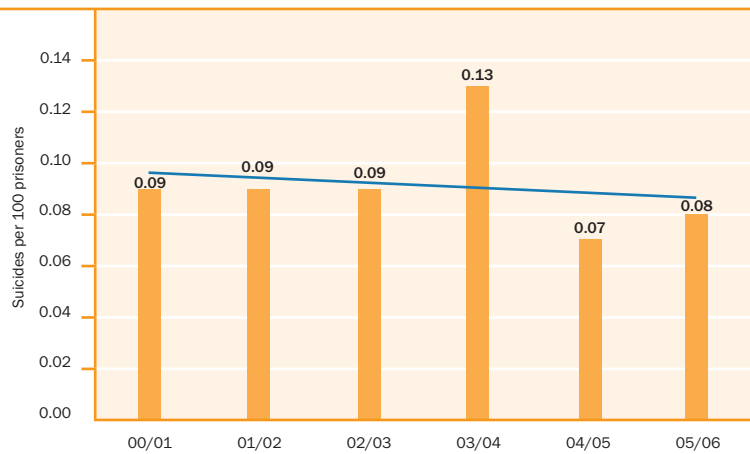
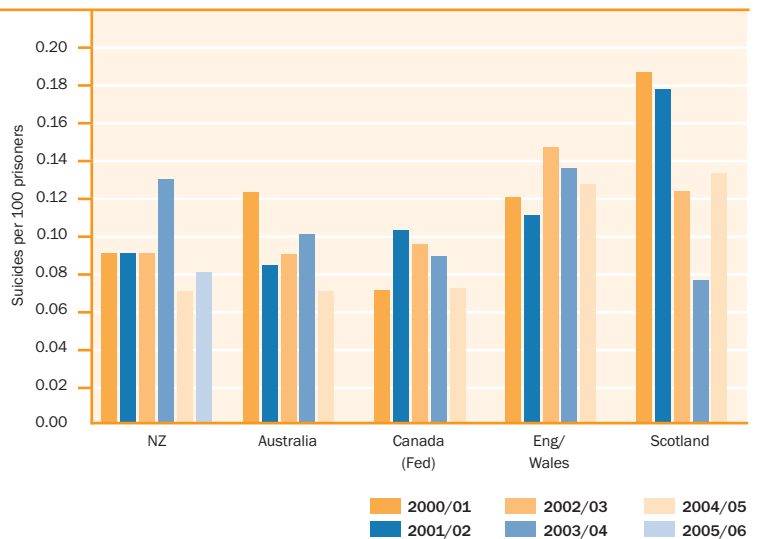


FIGURE 14: SUICIDES IN CUSTODY – INTERNATIONAL COMPARISON



## Measuring Outcomes Report

## PROTECTING THE PUBLIC

FIGURE 15: BREAKOUT ESCAPES

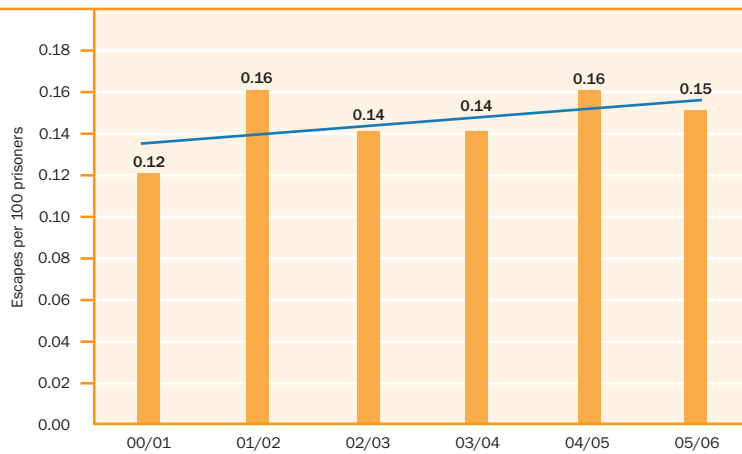
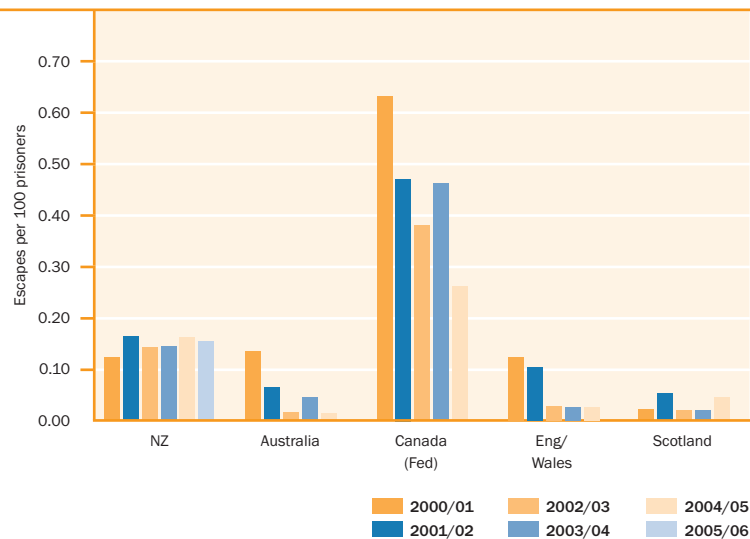


FIGURE 16: BREAKOUT ESCAPES – INTERNATIONAL COMPARISON



## Escapes from Prison

The total number of prisoner escapes in New Zealand against all security classifications in 2005/06 was 20, compared with 19 in 2004/05.

Figure 15 shows the trend in breakout escapes per 100 prisoners. A breakout escape is one where a prisoner has breached security measures and has physically left the area contained by the outermost perimeter security fence, or, if there is no such fence, prison buildings, police cell, court complex or other place of custodial control.

Of the 20 escapes in 2005/06, there was a total of 11 breakout escapes – the same number as in 2004/05 – although the average prison population has increased by 9.3 percent.

The comparability of New Zealand data on breakout escapes (Figure 16) is medium with Canada and Scotland, but low with Australia and England/Wales. Canadian data excludes prisoners serving sentences of less than two years, who are not accommodated in federal prisons.



### Drug and Alcohol Use by Offenders

In November 2004, the Department introduced its *Strategy to Reduce Drug and Alcohol Use by Offenders 2005–2008*. This strategy, the third to be released since 1998, builds on the progress achieved under the previous two strategies and outlines directions and initiatives for the 2005–2008 periods and beyond. The primary point of difference from previous strategies is that the current strategy extends its focus, as much as practicable, beyond prisons to offenders serving community-based sentences.

The strategy also has an increased focus on what works to reduce drug and alcohol use by Māori offenders. A number of projects, outside the specific scope of the strategy, are being undertaken to improve the involvement of whānau, hapu, iwi and Māori providers in the Department's work with offenders, but which will be relevant to future directions in reducing Māori offender drug use and re-offending. These projects include investigating the development of programmes for whānau that sit within or parallel to offender programmes, and reviewing rehabilitation programmes (such as the 100-hour substance abuse programme) with the view to increasing whānau involvement.

The strategy recognises that a large proportion of prisoners have drug and alcohol problems. These problems are often a significant factor in their offending behaviours. Drug use in prison perpetuates the dependency problems and the illegal lifestyles of prisoners. It also creates problems for their relatives and friends (such as the pressure to supply drugs) and for prison staff in the management and rehabilitation of prisoners.

The Department's drug strategy is designed around three key objectives:

- enhancing efforts to reduce the supply of drugs to offenders

- strengthening efforts to reduce offenders' demand for drugs
- increasing attention on reducing the harm caused by drugs.

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

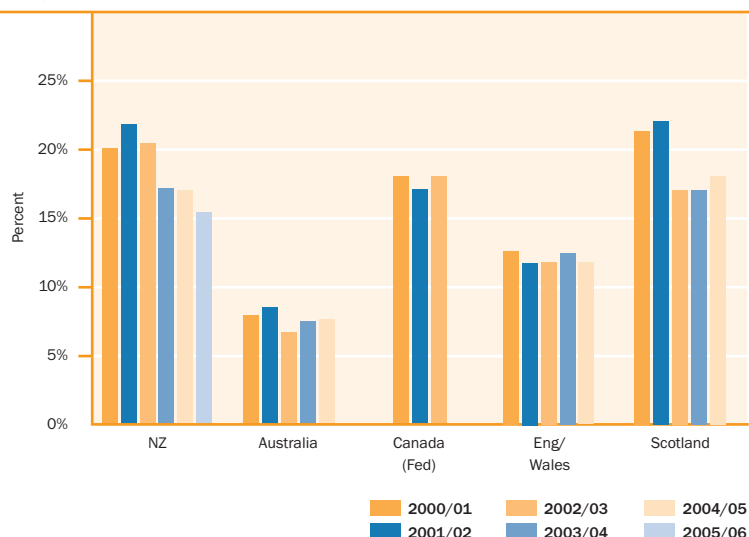
The total of positive results from general random drug tests for the year ended 30 June 2006 was 15 percent, compared with 17 percent for the previous year. Full results of drug tests are reported

on page 122. Of the total positive results to general random drug tests in 2005/06, 88 percent were positive for cannabinoids, with the remaining 12 percent positive for other drugs.

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

An international comparison of random drug testing results is shown in Figure 17.

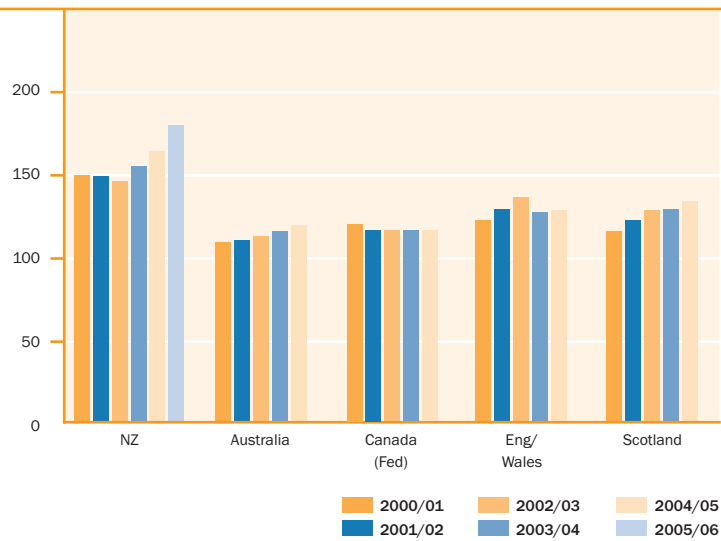
FIGURE 17: GENERAL RANDOM DRUG TESTS – INTERNATIONAL COMPARISON



## Measuring Outcomes Report

## PROTECTING THE PUBLIC

FIGURE 18: IMPRISONMENT RATE – INTERNATIONAL COMPARISON

**Imprisonment Rate**

The imprisonment rate identifies the number of people imprisoned per 100,000 of the national population. This is an indication of the extent to which prison is used as a sentencing option by the judiciary.

New Zealand has had the highest imprisonment rate of the five jurisdictions since 2000/01 and has continued to increase to a 2005/06 rate of 180 prisoners per 100,000 of national population. England/Wales, Scotland and Australia show marginal increases. The Canadian data excludes those prisoners serving sentences of less than two years who are accommodated in federal institutions.

### Reducing Re-offending

Progress towards the achievement of the departmental outcome of 'reducing re-offending' is assessed through the use of two measures, the Recidivism Index (RI) and the Rehabilitation Quotient (RQ). The RI measures the Department's performance in reducing re-offending as a whole, whereas the RQ measures the ability of a specific intervention to reduce re-offending. These indicators provide one means for assessing the Department's performance. It should be noted, however, that the use of reconviction data as indicators of performance is not straightforward: re-offending, reconviction and sentencing are subject to a range of influences, many of which are outside the Department's direct control.

A full explanation for the RI and RQ methodologies can be found on pages 36 - 42 of the Department's 2004/05 Annual Report (available at <http://www.corrections.govt.nz>).

### Analysis of reported RI figures

Table 4 provides reconviction rates as recorded over 12 months, for those released from prison, or commencing community-based sentences, during the 2004/05 (1 April – 31 March) year, and Table 5 provides the rates over 24 months for those released from prison, or commencing community-based sentences, during the 2003/04 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 2005/06, when compared to the 2004/05 reported results, indicate small percentage decreases in average reconvictions and re-imprisonments for all offenders released from prison. For offenders commencing community-based sentences, there was a small decrease in reconviction rates and a very small increase in imprisonments.

### RI Sub-group Comparisons

When examined by the sub-groupings for which RIs are calculated, notable features for those released from a custodial sentence (12-month follow-up) include the following:

- Males are re-imprisoned at a significantly higher rate than females (29% and 18% respectively) and reconviction rates for male offenders released from prison are also higher than for female offenders (42% and 32% respectively).
- The re-imprisonment and reconviction rates for Pacific peoples (21% and 32% respectively) were notably lower than those for Māori (30% and 45%) and Europeans (27% and 39%).
- 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%) being lower than almost every other sub-group of released prisoners.
- Prisoners granted early release on parole were re-convicted at rates lower than those subject to other types of release (other than home detention). Comparisons with the previous years' 12-month RI figures for parole releases reveal a continuing decline in reconvictions amongst this group.
- Re-imprisonment rates were higher for prisoners released from medium security classification (38% to 58%) than those for prisoners released from minimum security classification (24%).
- 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% and 18% respectively). It is likely that older age (which bears a strong inverse relationship to risk) is linked to lower recidivism amongst longer-sentenced prisoners.

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 the fact 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, these home detainees recorded a rate of reconviction lower than the rate for those sentenced to Community Work, and almost half 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 2004/05. In the case of 'front-end' reconvictions, the reduction is 2.5 percent.

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 percent and 50 percent over the 12-month rates. This year RI figures were also calculated at the 36-month follow-up point for offenders released from prison, or commencing community sentences in 2002/03. This revealed 10 – 20% increases in re-imprisonment and reconviction over the 24-month figures.

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.

TABLE 4: RECIDIVISM INDEX – 12 MONTHS FOLLOW-UP (PERCENTAGES) FOR 2004/05

Category	Group	Released from prison		Beginning community sentence	
		Reimprisoned	Reconvicted	Imprisoned	Reconvicted
All		27.7	41.1	8.2	28.7
Gender	Female	17.8	31.8	3.8	19.0
	Male	28.6	42.0	9.3	31.1
Ethnicity	European	27.0	39.2	7.0	27.2
	Māori	29.9	44.9	10.0	32.2
	Pacific	20.5	31.9	5.8	21.3
	Other (incl. Asian)	6.7	11.1	4.0	16.4
Age (at PPS release or start of CPS sentence)	<20 years	46.0	65.0	11.5	45.4
	20-24 years	34.5	51.0	9.4	31.3
	25-29 years	29.7	44.3	8.6	28.3
	30-39 years	24.0	36.8	7.4	23.9
	40 and above	15.1	22.6	4.1	15.3
Offence (Most serious for original sentence)	Dishonesty	43.8	59.8	12.4	40.4
	Property Damage/Abuses	27.9	44.9	10.5	35.9
	Admin	30.8	43.6	8.7	20.6
	Violence	26.3	40.3	7.4	28.4
	Traffic	18.3	29.9	6.0	22.9
	Drug & Anti-social	17.0	27.5	6.9	26.4
	Sexual	8.7	13.3	4.2	14.2
	Other Minor offences*	(see note)	(see note)	6.1	22.5
Community-based Sentence	Supervision	n/a	n/a	12.0	30.8
	Periodic Detention**	n/a	n/a	n/a	n/a
	Community Work**	n/a	n/a	7.6	29.1
	Community Service	n/a	n/a	n/a	n/a
Prisoner Security Classification (at Release)	Maximum*	(see note)	(see note)	n/a	n/a
	High-medium	57.6	67.0	n/a	n/a
	Low-medium	38.2	52.3	n/a	n/a
	Minimum	24.0	37.1	n/a	n/a
Release Type	Parole	22.6	30.4	n/a	n/a
	Home Detention***	12.1	19.0	6.2	14.9
	Post-release Conditions****	30.0	44.2	n/a	n/a
Sentence Length	6 mth or less	27.1	42.4	7.6	28.6
	> 6mth but ≤ 1yr	30.2	43.6	12.0	29.4
	>1 to 2 yr	31.6	45.1	14.6	28.3
	>2 to 3 yr	24.7	35.2	n/a	n/a
	>3 to 5 yr	18.3	25.9	n/a	n/a
	>5 yr	19.9	23.8	n/a	n/a
All (2003/2004)		28.9	42.6	8.0	29.2

**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 2004 and 31 March 2005.

Source is CMS conviction and sentencing data as at 30 June 2006.

\* Insufficient numbers to report.

\*\* The Sentencing Act 2002 abolished Periodic Detention and replaced it with Community Work on 1 July 2002.

\*\*\* 'Front-end' home detention reported as CPS new start; '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 5: RECIDIVISM INDEX - 24-MONTHS FOLLOW-UP (PERCENTAGES) FOR 2003/04

Category	Group	Released from prison		Beginning community sentence	
		Reimprisoned	Reconvicted	Imprisoned	Reconvicted
All		39.2	56.4	12.1	40.4
Gender	Female	25.2	47.8	5.8	26.8
	Male	40.5	57.2	13.7	43.9
Ethnicity	European	36.4	52.3	10.3	36.9
	Māori	43.3	61.9	14.6	45.9
	Pacific	27.6	43.0	9.4	33.2
	Other (incl. Asian)	20.9	29.1	8.0	24.2
Age (at PPS release or start of CPS sentence)	<20 years	60.5	82.4	15.1	57.6
	20-24 years	46.3	66.4	13.9	46.9
	25-29 years	42.9	62.1	13.3	42.6
	30-39 years	37.0	53.8	12.0	35.9
	40 and above	22.0	33.0	8.0	23.9
Offence (Most serious for original sentence)	Dishonesty	55.0	74.0	16.8	52.0
	Property Damage/Abuses	49.4	60.4	13.6	46.7
	Admin	40.6	59.4	11.7	32.4
	Violence	37.1	54.9	12.4	41.7
	Traffic	32.2	50.8	9.7	33.9
	Drug & Anti-social	24.5	39.1	10.8	35.2
	Sexual	15.8	25.1	8.3	27.7
	Other Minor offences*	(see note)	(see note)	8.3	35.8
Community-based Sentence	Supervision	n/a	n/a	18.6	45.7
	Periodic Detention**	n/a	n/a	n/a	n/a
	Community Work**	n/a	n/a	10.9	40.3
	Community Service	n/a	n/a	n/a	n/a
Prisoner Security Classification (at Release)	Maximum*	(see note)	(see note)	n/a	n/a
	High-medium	55.4	66.9	n/a	n/a
	Low-medium	51.4	66.5	n/a	n/a
	Minimum	34.9	53.1	n/a	n/a
Release Type	Parole	32.3	43.8	n/a	n/a
	Home Detention***	16.2	25.4	13.1	29.3
	Post-release Conditions****	42.7	61.7	n/a	n/a
Sentence Length	6 mth or less	38.8	57.0	11.2	39.7
	> 6mth but <= 1yr	42.9	61.5	19.4	45.7
	>1 to 2 yr	43.6	62.6	19.1	45.4
	>2 to 3 yr	34.2	46.6	n/a	n/a
	>3 to 5 yr	28.5	40.4	n/a	n/a
	>5 yr	29.5	40.6	n/a	n/a
All (2002/2003)		37.2	55.4	11.7	40.2

**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 2003 and 31 March 2004.

Source is CMS conviction and sentencing data as at 30 June 2006.

\* Insufficient numbers to report.

\*\* The Sentencing Act 2002 abolished Periodic Detention and replaced it with Community Work on 1 July 2002.

\*\*\* 'Front-end' home detention reported as CPS new start; '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.

**Rehabilitation Quotient**

The Department delivers a range of rehabilitative and reintegrative interventions designed to enable offenders to lead law-abiding lives. These programmes have been designed and implemented in ways consistent with internationally developed best practice principles.

Research on outcomes from rehabilitative programmes has shown that significant reductions in reconviction and re-imprisonment can be achieved when this form of intervention is effectively delivered to appropriately selected offenders.

The purpose of the Rehabilitation Quotient is to gauge the extent to which re-offending is reduced amongst those who received a rehabilitative intervention. As noted above, a full explanation of the RQ methodology is available on pages 36-42 of the 2004/05 Annual Report.

The 2004/05 Annual Report contained extensive discussion on findings of poor outcomes from some of the Department's programmes. As a consequence of these findings, the Department moved swiftly to review the entire rehabilitative programme framework, including principles for

eligibility and selection of offenders.

This work resulted in the termination of certain poorly performing programmes (the cognitive skills course "Straight Thinking"), and extensive work to re-develop 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 2005. Therefore, a significant amount of the data relates 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.

On the other hand, again replicating last year's results, positive results were recorded in relation to the more intensive programmes, the prison-based drug and alcohol treatment units (DTUs), and the sex offender special treatment units (STUs).

These overall results support 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. The Department is currently moving to expand its suite of higher-intensity programmes, including the drug treatment units and special treatment units, largely on the basis of these recorded outcomes.

A caveat on the interpretation of these 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 impact of which the RQ attempts to measure). At this stage the RQ methodology does not ascertain the nature and quality of these services as accessed by individuals, and does not take into account the relative contribution that each of these services may be making to final recidivism outcomes. However, it is widely accepted that the provision of education, training and reintegrative support services can have a significant impact on re-offending.

**TABLE 6: RQ results for rehabilitative programmes delivered during 2004/05, with a 12 months follow-up period, and for programmes delivered during 2003/04, with a 24 months follow-up period (see Note 1 below).**

Intervention Type	12-months follow-up		24-months follow-up	
	Reconvicted	(Re-) Imprisoned	Reconvicted	(Re-) Imprisoned
Special Treatment Units (sex offending)	0.08	0.06	0.05	0.07
Special Treatment Units (alcohol & drugs)	0.05	0.09	0.05	0.13

*Note 1: Figures represent percentage-point differences between recidivism rates for treatment and control groups. Positive scores indicate a reduction in reconviction/re-imprisonment for treated offenders (eg, 0.10 indicates that the rate of reconviction/re-imprisonment among treated offenders was 10 percentage points lower than the rate for untreated offenders).*

**Research and Evaluation**

Research and evaluation projects, including some multiyear projects, underway during 2005/06 included:

- Examination of the rehabilitative treatment needs and appropriate treatment design for high-risk offenders, and sexual offenders against women.
- Analysis of the characteristics of violent offenders, and their rehabilitative needs.
- An evaluation of the learning outcomes from a range of courses made available to prisoners to support reintegration to life with the community.
- Reviewing the effectiveness of the prison Drug Treatment Units.
- Evaluation of the utility for sentence management of the Māori culture-related needs (MaCRN) assessment.
- Research into the outcomes experienced by prisoners who have participated in Corrections Inmate Employment work training.





## Part 3

Factors Affecting or Contributing to  
Achievements in 2005/06







## ENVIRONMENT, ISSUES AND IMPLICATIONS

In determining how to give best effect to its strategic direction, the Department takes account of the environment in which it operates and the issues that impact upon its operations. These key environmental factors and their implications are not unique to the Department, and most of these factors impact on the justice sector as a whole.

*Demographic information is based on census data from Statistics New Zealand, New Zealand Police crime statistics reports, the Ministry of Justice conviction and sentencing report for 2004, the Ministry of Justice November 2005 prison population forecast and the Department of Corrections' November 2003 census of prisoners and home detainees.*

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

#### **Demographic Trends**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Given its core role of administering sentences imposed by the courts on individual offenders, trends in criminal offending are perhaps the single most important environmental consideration for the Department.

Because many offences are either not reported or detected, true rates of crime in the wider community are not directly measurable. The best substitute is the National Survey of Crime Victims, which is conducted every five years by the Ministry of Justice. The most recent surveys, in 1996 and 2001, suggested stable levels of crime in the community.<sup>1</sup>

The total number of crimes, across all categories crime recorded by the Police for the year ending 31 December 2005, was 0.3 percent higher than the previous 12 months, (2004) which recorded the lowest rate of reported offences since 1983.

However, the more serious crimes (violence and sex offences) increased sharply during the early 1990s, and again in the first few years of the present decade. A further small increase occurred last year, which means that numbers of these types of offences are being maintained at relatively high levels.

Police crime resolution rates have also steadily increased in recent years. While Police crime statistics for 2005 show relatively stable rates of recorded crime, over the past decade there has been a steady improvement in resolution rates for reported offences (43.3% in 2005, up from 32.9% in 1992/93). In turn, prosecutions for offences have increased, and more cases have resulted in a conviction. A number of factors may be associated with the increase in both offence resolutions and convictions. These include new technologies for the investigation of offences (DNA matching, computerisation of fingerprints) and the provision of more frontline police officers. Demographic change is also a factor in differences in overall crime rates.

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

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

As noted above, the Department currently operates in an environment where a range of legislative changes over the last five years have had, or are likely to have, a significant effect on prison volumes, despite the decreasing trends in crime rates reported above. For example, the Bail Act 2000 provided wider grounds for remanding an offender in custody prior to trial and/or sentencing. Similarly, the Sentencing Act 2002 and Parole Act 2002 make it likely that longer prison sentences will be imposed in certain cases and that a larger proportion of the sentences will be served in prison.

While the number of people in prison over the past 20 years has been steadily increasing, the last three years have seen a sharp increase. As noted above, in 2005, New Zealand's rate of imprisonment per 100,000 of population was 172, and by mid 2006, this had risen to 185 per 100,000 of population, more than double the imprisonment rate that applied in 1980. While this rate remains well below the level of imprisonment within the United States (approximately 700 per 100,000), it is now significantly higher than the rate in New Zealand's primary international benchmark jurisdictions such as Canada and Australia.

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

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

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

# RISK MANAGEMENT

Risk management is an integral component of the Department's operations and is the ongoing requirement to identify and address risk that may impact on the achievement of objectives and the delivery of services.

## Risk Management Overview

A risk management framework was implemented across the Department in 2001. A key objective since then has been to ensure the fundamentals of the framework are firmly incorporated into management practices, which is being achieved through the ongoing consideration of risk in all levels throughout the organisation. The Department's risk management framework is based on the Australian/New Zealand standard AS/NZ 4360:1999 Risk Management, and has recently been updated by AS/NZ 4360:2004.

The risk management framework is overseen by the Department's Assurance Board, which comprises the Chief Executive and five external appointees. The Department also operates a number of separate control mechanisms, including the Internal Audit and Prison Inspectorate functions within the Strategic Services Group, peer review of processes within the operational services and the operation of an internal control framework.

## Departmental Risks and Uncertainties

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

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

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

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

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

reducing the overall risk assessment of these threats.

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

## Risk to Achieving Outcomes

The management of risk is integral to the Department's operational approach on a day-to-day basis. It uses a series of short-term tactical strategies to manage unexpected risks, with longer-term risk management factored into its strategic planning processes. Identification and management of risk is an integral part of the strategic framework. Each of the risk areas outlined below is linked to departmental outcomes. These links are best illustrated when the implications of failure in the mitigating strategies are identified against each risk. Being aware of the mitigating strategies and their implications is key to the Department's overall achievement of departmental outcomes.

## Risk Identification Process

The risk management process involves the identification, analysis and evaluation of risks, and the implementation of effective risk mitigation strategies. The following table identifies the most significant risk areas related to key initiatives and describes mitigating strategies in place to ensure the risks do not eventuate.

### Risk Management Strategies

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

TABLE 7: RISK MANAGEMENT – STATEMENT OF INTENT

Risk Area	Mitigating Strategies
Effective management of high-risk offenders	The Department has implemented policies for the identification, notification, and management of high-risk offenders
Regional Prisons Development Project	Ongoing project monitoring and assurance activities are in place. Effective project governance management, monitoring and reporting activities are in place
Performance requirements for Corrections Inmate Employment	Ongoing monitoring and review of prisoner employment activities are in place, eg. release-to-work initiative
Sufficient staff capability and capacity to deliver effective offender management	Resources have been dedicated to: <ul style="list-style-type: none"> <li>• training and development of staff, and monitoring achievement of standards</li> <li>• recruitment campaigns</li> </ul>
Effectiveness of rehabilitative interventions designed to contribute to reducing re-offending	Ongoing development, implementation and improvement of evidence-based specialist rehabilitative programmes
Increased litigation by offenders	Implementation and ongoing monitoring of national compliance processes for core operational management systems
The integration of Auckland Central Remand Prison into the Public Prisons Service	ACRP integration project successfully completed. Ongoing monitoring to ensure effective integration within the Department's financial and operational policy
Meeting demand for prisoner beds within the Department's physical and staffing capacity	The Department is implementing measures to provide additional temporary and permanent capacity to address current and future demand
Public confidence in the corrections system	The Department maintains appropriate communications and media-management policies
Recruitment and retention of staff	The Department has implemented a major recruitment campaign both domestically (and internationally for PPS staff) and a working party has completed a review of recruitment and retention issues

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

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

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

### **Pandemic Planning**

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

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

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

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

## CAPABILITY

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

### Contribution to State Sector Goals

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

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

The six State Sector development goals are:

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

TABLE 9: STATE SECTOR GOALS

### Departmental Structure

In order to deliver its outputs and achieve its outcomes effectively, the Department is organised into service delivery functions (Services) and support functions (Groups). There is a particular focus for the Groups and Services to work together in a cohesive manner across the organisation to improve overall performance. For service delivery, this focus is enhanced by the General Manager Integration (a new role established in February 2006) and the Regional Management Committees, which are responsible for ensuring that operational management and service delivery are fully integrated.

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

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

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

### Investment in Capability

#### Funding 2005/06

The following funding was made available as part of the 2005 Budget decisions:

- operating costs associated with the Auckland Region Women's Corrections Facility

- capital funding for the completion of construction, commissioning fit-out and ongoing operating costs for the Spring Hill Corrections Facility and the construction costs associated with the Otago Region Corrections Facility
- funding for an increased number of reports to the New Zealand Parole Board
- funding to maintain the increased number of New Zealand Parole Board hearings
- expansion of services to assist prisoners to successfully reintegrate back into the community
- funding for demand-driven costs associated with unexpected prisoner levels



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

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

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

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

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

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

#### *Capital Expenditure*

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

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

TABLE 10: CAPITAL EXPENDITURE ACTUALS AND FORECASTS

### The Department's approach to Capability Development

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

#### Facilities and Infrastructure

The Department's physical infrastructure, and the management systems required to operate it, has been subject to change and expansion since 1995. The growth in the prison population in recent years, in excess of forecast trends, has necessitated an expansion in new prison facilities and infrastructure, as well as addressing the capacity of some existing prisons and developing options to meet prison demand post-2010.

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

The *Facilities and Infrastructure Operational Strategy 2003–2008* guides the Department's approach to facility and infrastructure management, with a particular focus on the following key areas:

- implementation of the Regional

#### Prisons Development Project

- economical management of the maintenance of existing facilities and other assets
- ensuring facilities and infrastructure support the effective management of offenders and facilitate rehabilitation
- developing positive relationships with communities
- retiring obsolete and worn-out facilities.

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

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

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

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

The Department has made a concerted effort over the last seven years to improve the overall state of its property portfolio. Accordingly, capital was received to refurbish buildings to meet health and safety standards and provide greater sustainability in the working environment. At the same time, the prison portfolio has been expanding by an average of 220 beds per year and work is in hand to provide for predicted custodial requirements to 2010. The Department has addressed critical building work, principally compliance with health and safety legislation. Rimutaka prison has been expanding particularly rapidly requiring a major upgrade to support facilities. This upgrade started in 2005/06 and will continue in 2006/07.

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

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

#### Information Technology

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

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

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

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

- consolidate the existing infrastructure, operational and basic managerial systems
- continue, and strengthen, the management and cost-effective delivery of systems
- continue the evolution of the offender management system to support developing offender management business processes
- design better managerial processes and business decision making, based on quality information from the base business information systems and the data they contain, to support the growth of a knowledge-based management organisation
- maintain and improve current operational systems and ensure they continue to add value
- increase user satisfaction with the delivery of IT services
- continue the proven practices that exist and underpin the delivery of all IT support.

The Integrated Offender Management System (IOMS) was implemented in 1999 and today it is used by most operational staff on a daily basis. Major rollouts have progressively delivered functionality, initially for day-to-day offender management and then followed by sentence planning and management, and management of rehabilitative programmes. Development was affected by the introduction of the Sentencing Act 2002 and Parole Act 2002, which required extensive changes to IOMS.

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

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

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

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

Other major IT initiatives undertaken during 2005/06 included:

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

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

## Communications

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

- foster internal appreciation of, and commitment to, the Department's strategic direction
- increase external awareness, understanding of, and support for, the role of the Department and the issues and challenges in managing offenders
- build communications activities for specific initiatives that give focus to, and reinforce, the four themes underpinning the Department's strategic direction.

Current communications challenges rest in supporting the overall strategic direction for the Department and in particular the increased focus on further integrating service delivery, increasing community involvement with the Department's work and ensuring that the Department's perspective is included in media coverage and public debate.

Staff understanding and support for the strategic direction is a vital component of enhancing the Department's capability and capacity. With much already done to establish an overall identity, there is now an emphasis on internal relationships and improving staff understanding of the organisation as a whole.

In recent years, the Department has increasingly emphasised the importance of working with communities and stakeholders. As a result, the Department has been more proactive about the way in which it communicates with the public and community groups. In particular, the increased focus given by the Department to initiatives involving Māori and Pacific peoples has required the development of specific communications activities to support these.

With high public interest in the Department's work, there will frequently be reactive management of media interest in specific events. At the same time, a proactive approach is required to allow the public to have reasonable trust and confidence in the Department's ability.

Key communications initiatives in 2005/06 focused on:

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

#### Human Resources Management

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

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

- an effective human resources framework.

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

Central to the development of desired organisational culture has been the Department's focus on its values statement: PRIDE, which stands for Professionalism, Responsiveness, Integrity, Diversity, Effectiveness and Efficiency. The PRIDE values are reinforced throughout the Department, in performance competencies, and through the award scheme, PRIDE in Corrections – a Chief Executive Award, which recognises and rewards staff who demonstrate the Department's PRIDE values. This scheme, along with other initiatives, is aimed at embedding values and shaping desired culture throughout the Department. The Department has also initiated a department-wide process to examine what the PRIDE values mean for staff at a practical, day-to-day level. This process is expected to generate some practical strategies to embed these values further.

In 2003, the Department achieved primary status in the Accident Compensation Corporation (ACC) Partnership Programme and has maintained this status through successive annual audits. The Department has successfully implemented a system of employee representation and provides ongoing training for its elected representatives and staff serving on health and safety committees. Significantly, the frequency and severity of injuries continue to fall.

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

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

Further work will also continue to:

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

#### Equal Employment Opportunities (EEO)

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

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

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

The Department is committed to equal opportunities in all its employment policies and procedures. Equal employment opportunities apply to all aspects of the Department's human resource policies, including recruitment, selection and appointment practices, training, performance management, career development, conditions of employment and the work environment. All departmental employees, regardless of gender, race, marital status, age, disability, sexual orientation, family status, religious or ethical beliefs, political opinion or union affiliation, have similar access to employment opportunities.

The Department's managers have primary responsibility to promote equal employment opportunities for all employees and to eliminate policies and practices that work against equity in the workplace. The Department takes a strategic approach to equal employment opportunities and policies to support its business outcomes.

The 2005/06 EEO programme complements other human resource initiatives that are working towards a positive workplace culture and co-operative relationships between staff and management.

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

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

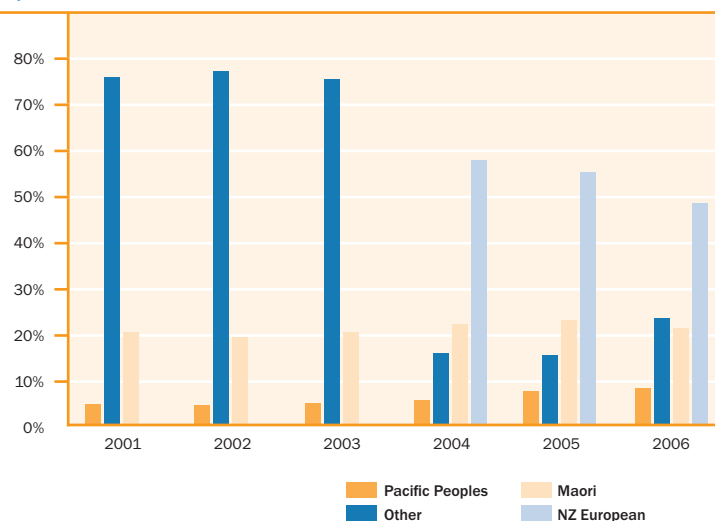
programme. *Kia Mau* enhances Community Probation Service staff knowledge, understanding and skills and enables them to work more effectively with Māori offenders. The programme enhances working relationships with Māori offenders, their whānau and local communities.

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

#### Employees by Gender and Ethnicity

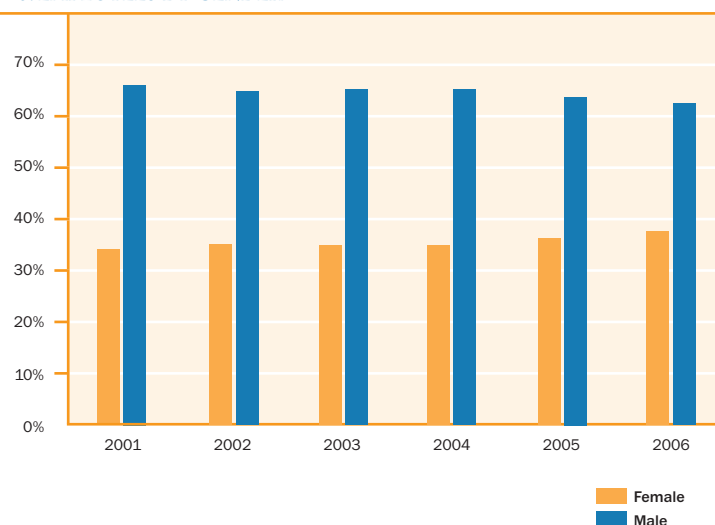
As at 30 June 2006, the Department employed 5,798 Full Time Equivalent employees (FTEs), compared with 5,110 as at 30 June 2005. Of this total, females represented 37.5 percent of all the Department's employees, compared with 36 percent as at 30 June 2005. Māori and Pacific peoples represented 20.9 percent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

FIGURE 19: EMPLOYEES BY ETHNICITY



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

FIGURE 20: EMPLOYEES BY GENDER





### ***Pay and Employment Equity Plan***

The Department of Corrections is committed to the outcomes of the Government Pay and Employment Equity Plan of Action. As part of the review of remuneration systems, the Department has provided input into the Department of Labour-led initiative to develop a gender neutral job evaluation system. The State Services Commission and the Pay and Employment Equity Unit of the Department of Labour have kept the Department informed of the development of pay and employment equity processes.

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

### ***Disability Strategy***

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

Significant actions for the 2005/06 period included:

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

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

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

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

### ***Reducing Inequalities***

The Department of Corrections is one of 13 identified government departments required to report on reducing inequalities. The Treasury has outlined the Department's reporting requirements for contributing to reducing inequalities. The reporting requirements apply to annual reports from 2004/05 onwards and reflect the revised changes to the reducing inequalities policy agreed by the Cabinet in June 2004.

Reducing inequalities reaches across many sectors and requires coordinated action. Within the Department, reducing inequalities means focusing on the following Government outcomes (Reducing Inequalities: Next Steps Report to Cabinet 2004):

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

The incorporated approach to managing the reducing inequalities policy assumes that departments will consider and reflect the goals, principles, and priorities of the Government's reducing inequalities policy in their planning, policy development and service delivery.

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

## COLLABORATION WITH OTHER AGENCIES

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

### Collaboration with the Justice Sector

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

#### Sector Agencies

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

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

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



FIGURE 21: JUSTICE SECTOR AGENCIES AND LINKAGES

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

### Ongoing Development of Justice Sector Outcomes

The sector's current end outcomes are:

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

**A FAIRER, MORE CREDIBLE AND MORE EFFECTIVE JUSTICE SYSTEM; being a system in which people's interactions are underpinned by the rule of law and justice services are more equitable, credible and accessible.**

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

### Collaborative Activities

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

#### Effective Interventions

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

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

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

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

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

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

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

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

#### Justice Sector Pipeline model

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

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

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

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

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

#### Justice Sector Information Strategy

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

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

Key elements of the new strategy include:

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

#### Other Justice Sector Initiatives

Justice sector agencies have also collaborated on the following activities:

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



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

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



### Collaboration with other Government Agencies

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

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

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

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

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

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

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

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

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

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

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

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

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

- **Improvements to Health Services for Prisoners**

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

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

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

# SUSTAINABLE DEVELOPMENT

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

## Strategy and Approach

The Department's strategy includes the identification of relevant social, environmental and economic indicators against which the Department's sustainable development performance can be measured on an ongoing basis. The Department's approach to sustainable development continues with the ongoing development and implementation of a customised sustainable development framework that contributes to the Department's decision-making and core processes.

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

## Summary of Achievements in 2005/06

### SUMMARY OF PERFORMANCE WITHIN THE SOCIAL DIMENSION

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

FIGURE 23: SUMMARY OF PERFORMANCE – SOCIAL DIMENSION

### SUMMARY OF PERFORMANCE WITHIN THE ENVIRONMENTAL DIMENSION

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

FIGURE 24: SUMMARY OF PERFORMANCE – ENVIRONMENTAL DIMENSION

**SUMMARY OF PERFORMANCE WITHIN THE ECONOMIC DIMENSION**

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

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

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

**Looking Forward**

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



## Part 4

Annual Financial Statements  
and  
Statement of Service Performance





## PART 4 – ANNUAL FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE

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## 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 2006.



Signed  
**Barry Matthews**  
Chief Executive  
29 September 2006



Countersigned  
**John Ryan**  
Chief Financial Officer  
29 September 2006



# REPORT OF THE AUDITOR-GENERAL

## **TO THE READERS OF THE DEPARTMENT OF CORRECTIONS' FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

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 of the financial statements of the Department, on his behalf, for the year ended 30 June 2006.

### **UNQUALIFIED OPINION**

In our opinion the financial statements of the Department on pages 80 to 155:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - the Department's financial position as at 30 June 2006;
  - the results of its operations and cash flows for the year ended on that date; and
  - 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 29 September 2006, 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 did not have material misstatements, whether caused by fraud or error.

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

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

Audit procedures generally include:

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

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

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

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

#### **RESPONSIBILITIES OF THE CHIEF EXECUTIVE AND THE AUDITOR**

The Chief Executive is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Department as at 30 June 2006 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 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 entered into the following engagements that are compatible with those independence requirements:

- a review of the victim notification system
- internal budget allocation review
- provision of assistance to internal audit on the Regional Prison Development Project
- a review of departmental fixed asset accounting functions.

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 2006 included on the Department of Corrections web site. The Department's governing body 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 29 September 2006 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 Department**

The Department of Corrections has conducted a preliminary 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 will be gathering 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 value sick leave which currently is not valued in the financial statements. Sick leave will be recorded and valued as a liability.

# FINANCIAL STATEMENTS

## STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2006

### 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) and any transfer made by Order in Council under section 26A of the Public Finance Act 1989.

### Revenue

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

### Cost Allocation

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

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

### Debtors And Receivables

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

### Operating Leases

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

### Physical Assets

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

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

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

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

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

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

### Forests

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

The result of revaluing the tree crop is recognised in the Statement of Financial Performance.

The valuation of forests was undertaken by an independent registered valuer, P F Olsen and Company Limited, on 30 June 2006. This valuation was completed by T Vos, registered forestry consultant, NZIF.

### Depreciation

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

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

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

The useful life of buildings is reassessed following any revaluation.

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

### Inventory

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

### Employee Entitlements

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

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

## Statement Of Cash Flows

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

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

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

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

## Livestock

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

## Investments

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

## Foreign Currency

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

## 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

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

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



# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2006

30/06/05 Actual			30/06/06 Actual	30/06/06 Main Estimates	30/06/06 Supp. Estimates
\$000		Notes	\$000	\$000	\$000
	Revenue				
514,375	Crown		628,902	606,776	628,902
3,346	Departmental		5,926	7,025	7,275
25,444	Other	1	25,248	23,498	24,498
<b>543,165</b>	<b>Total operating revenue</b>		<b>660,076</b>	<b>637,299</b>	<b>660,675</b>
	Expenditure				
265,632	Personnel costs	2	322,562	305,778	321,013
169,392	Operating costs	3	191,574	177,744	188,493
48,831	Depreciation	4	62,492	68,786	65,791
53,839	Capital charge	5	82,076	84,991	85,378
<b>537,694</b>	<b>Total output expenses</b>		<b>658,704</b>	<b>637,299</b>	<b>660,675</b>
(11,559)	Other expenses	6	-	-	-
<b>526,135</b>	<b>Total expenses</b>		<b>658,704</b>	<b>637,299</b>	<b>660,675</b>
<b>17,030</b>	<b>Net surplus/(deficit)</b>		<b>1,372</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 19 (page 98).

# STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS

FOR THE YEAR ENDED 30 JUNE 2006

30/06/05 Actual			30/06/06 Actual Estimates	30/06/06 Main Estimates	30/06/06 Supp.
\$000		Notes	\$000	\$000	\$000
<b>672,989</b>	<b>TAXPAYERS' FUNDS BROUGHT FORWARD AS AT 1 JULY</b>	<b>7</b>	<b>953,302</b>	<b>853,072</b>	<b>953,302</b>
	<i>Movements during the year (other than flows to and from the Crown)</i>				
17,030	Add/(deduct) net surplus/(deficit)	7	1,372	-	-
88,671	Increase/(decrease) in revaluation reserves	7	303	-	-
<b>105,701</b>	<b>Total recognised revenues and expenses for the period</b>		<b>1,675</b>	<b>-</b>	<b>-</b>
	<i>Adjustment for flows to and from the Crown</i>				
180,083	Add capital contributions from the Crown during the year	7	318,547	418,870	393,547
(5,471)	Provision for payment of surplus to the Crown	13	(1,372)	-	-
<b>174,612</b>	<b>Total adjustments for flows to and from the Crown</b>		<b>317,175</b>	<b>418,870</b>	<b>393,547</b>
<b>953,302</b>	<b>Taxpayers' funds at end of the year</b>		<b>1,272,152</b>	<b>1,271,942</b>	<b>1,346,849</b>

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

For information on major variances against budget refer to Note 19 (page 98).

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2006

30/06/05 Actual		Notes	30/06/06 Actual Estimates \$000	30/06/06 Main Estimates \$000	30/06/06 Supp. \$000
\$000					
<b>ASSETS</b>					
<b>Current Assets</b>					
85,836	Cash and bank balances	16	20,044	69,640	31,524
952	Prepayments		962	625	625
4,833	Debtors and receivables	8	4,652	6,800	4,050
4,557	Inventories		5,176	4,700	3,842
<b>96,178</b>	<b>Total current assets</b>		<b>30,834</b>	<b>81,765</b>	<b>40,041</b>
<b>Non-current assets</b>					
8,350	Livestock		8,680	6,840	8,350
6,278	Investments	9	6,645	5,750	6,608
986,376	Physical assets	10	1,367,315	1,262,977	1,430,349
<b>1,001,004</b>	<b>Total non-current assets</b>		<b>1,382,640</b>	<b>1,275,567</b>	<b>1,445,307</b>
<b>1,097,182</b>	<b>Total assets</b>		<b>1,413,474</b>	<b>1,357,332</b>	<b>1,485,348</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
93,100	Creditors and payables	11	88,603	42,540	95,649
1,984	Provisions	12	2,839	-	-
5,471	Provision for repayment of surplus to the crown	13	1,372	-	-
33,516	Provision for employee entitlements	14	38,503	32,950	32,950
<b>134,071</b>	<b>Total current liabilities</b>		<b>131,317</b>	<b>75,490</b>	<b>128,599</b>
<b>Non current liabilities</b>					
9,809	Provision for employee entitlements	14	10,005	9,900	9,900
<b>9,809</b>	<b>Total non current liabilities</b>		<b>10,005</b>	<b>9,900</b>	<b>9,900</b>
<b>143,880</b>	<b>Total liabilities</b>		<b>141,322</b>	<b>85,390</b>	<b>138,499</b>
<b>TAXPAYERS' FUNDS</b>					
864,393	General funds	7	1,182,940	1,271,704	1,257,940
88,909	Revaluation reserves	7	89,212	238	88,909
<b>953,302</b>	<b>Total taxpayers' funds</b>		<b>1,272,152</b>	<b>1,271,942</b>	<b>1,346,849</b>
<b>1,097,182</b>	<b>Total liabilities and taxpayers' funds</b>		<b>1,413,474</b>	<b>1,357,332</b>	<b>1,485,348</b>

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

For information on major variances against budget refer to Note 19 (page 98).

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2006

30/06/05 Actual			30/06/06 Actual	30/06/06 Main Estimates	30/06/06 Supp. Estimates
\$000	Notes		\$000	\$000	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
	Cash provided from:				
	Supply of outputs to				
514,375	Crown		628,902	606,776	628,902
3,346	Departments		5,926	7,025	7,275
26,574	Other		23,985	23,104	24,216
	Cash disbursed to:				
(264,191)	Personnel		(317,379)	(305,708)	(321,013)
(149,062)	Operating		(201,267)	(177,751)	(188,211)
(3,765)	Net GST paid		1,099	-	-
(53,839)	Capital charge		(82,076)	(84,991)	(85,378)
<b>73,438</b>	<b>Net cash flows from operating activities</b>	<b>15</b>	<b>59,190</b>	<b>68,455</b>	<b>65,791</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
	Cash provided from:				
-	Sale of investments		-	(31)	-
1,144	Sale of physical assets		737	1,600	1,600
	Cash disbursed to:				
-	Purchase of investments		(366)	-	-
(246,313)	Purchase of physical assets		(438,429)	(446,640)	(509,779)
<b>(245,169)</b>	<b>Net cash flows from investing activities</b>		<b>(438,058)</b>	<b>(445,071)</b>	<b>(508,179)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
	Cash provided from:				
180,083	Capital contribution from the Crown		313,243	418,870	388,243
	Cash disbursed to:				
(1,251)	Payment of surplus to the Crown		(167)	-	(167)
<b>178,832</b>	<b>Net cash flows from financing activities</b>		<b>313,076</b>	<b>418,870</b>	<b>388,076</b>
<b>7,101</b>	<b>Net increase/(decrease) in cash held</b>		<b>(65,792)</b>	<b>42,254</b>	<b>(54,312)</b>
78,735	Opening total cash balances at 1 July		85,836	27,386	85,836
<b>85,836</b>	<b>Closing cash balances as of 30 June</b>		<b>20,044</b>	<b>69,640</b>	<b>31,524</b>

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

For information on major variances against budget refer to Note 19 (page 98).

# STATEMENT OF COMMITMENTS

AS AT 30 JUNE 2006

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.

30/06/05 Actual \$000		30/06/06 Actual \$000
	<b>Non-cancellable accommodation leases</b>	
7,091	Less than one year	8,365
6,276	One to two years	6,437
13,702	Two to five years	11,992
5,781	More than five years	5,009
<b>32,850</b>		<b>31,803</b>
	<b>Commitments arising from other contracts</b>	
20,876	Less than one year	21,300
15,850	One to two years	17,449
22,255	Two to five years	19,511
-	More than five years	-
<b>58,981</b>		<b>58,260</b>
	<b>Capital Commitments</b>	
136,272	Less than one year	169,467
1,370	One to two years	7,140
-	Two to five years	-
-	More than five years	-
<b>137,642</b>		<b>176,607</b>
<b>229,473</b>	<b>Total commitments</b>	<b>266,670</b>

The increase in capital commitments is largely due to the contracts entered into for the construction of Otago Region Corrections Facility, Spring Hill Corrections Facility, deferred maintenance and the building of additional beds at existing sites to meet increase prisoner demand.

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

## STATEMENT OF CONTINGENT LIABILITIES

AS AT 30 JUNE 2006

30/06/05		30/06/06
Actual		Actual
\$000		\$000
5,564	Legal proceedings	8,593
815	Personal grievances	641
<b>6,379</b>	<b>Total Contingent Liabilities</b>	<b>9,234</b>

The Department was defending 33 legal proceedings claims by prisoners and external parties as at 30 June 2006. 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 43 staff members.

### Guarantees and Indemnities:

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

## STATEMENT OF UNAPPROPRIATED EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2006

There was no unappropriated expenditure in any of the output classes by the Department during the 2005/06 financial year.

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

# STATEMENT OF DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS

FOR THE YEAR ENDED 30 JUNE 2006

	30/06/06 Expenditure Actual \$000	30/06/06 Remeasurement Actual* \$000	30/06/06 Appropriation Voted** \$000
<b>VOTE: CORRECTIONS</b>			
Appropriations for classes of outputs			
Information Services	29,866	-	29,946
Community-based Sentences and Orders	69,844	-	70,981
Custody of Remand Prisoners	84,678	-	84,753
Escorts and Custodial Supervision	7,976	-	8,339
Custodial Services	370,622	-	370,875
Prisoner Employment	37,574	4,830	33,683
Rehabilitative Programmes and Reintegrative Services	45,802	-	49,395
Services to the New Zealand Parole Board	5,594	-	5,604
Policy Advice and Development	5,122	-	5,470
Service Purchase and Monitoring	1,626	-	1,629
<b>Sub-total</b>	<b>658,704</b>	<b>4,830</b>	<b>660,675</b>
<b>Appropriation for capital contributions</b>	<b>318,547</b>	<b>-</b>	<b>318,547</b>
<b>Total</b>	<b>977,251</b>	<b>4,830</b>	<b>979,222</b>

\* The Asset Revaluation in the Prisoner Employment appropriation class relates to forestry and livestock revaluation of \$4.830 million in 2005/06. 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 transfers under section 26A of the Public Finance Act 1989 and an In Principle Capital Transfer.

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



# STATEMENT OF DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS

FOR THE YEAR ENDED 30 JUNE 2006

Output Class	Supplementary Estimates \$000	Section 26A Transfers \$000	Final Appropriation \$000
Information Services	30,299	(353)	29,946
Community-based Sentences and Orders	72,467	(1,486)	70,981
Custody of Remand Prisoners	84,350	403	84,753
Escorts and Custodial Supervision	8,323	16	8,339
Custodial Services	369,564	1,311	370,875
Prisoner Employment	33,727	(44)	33,683
Rehabilitative Programmes and Reintegrative Services	49,465	(70)	49,395
Services to the New Zealand Parole Board	5,488	116	5,604
Policy Advice and Development	5,403	67	5,470
Service Purchase and Monitoring	1,589	40	1,629
<b>Net Adjustment</b>	<b>660,675</b>	<b>-</b>	<b>660,675</b>

	Supplementary Estimates \$000	In Principle Capital Transfer \$000	Final Appropriation \$000
Appropriation for capital contributions	393,547	(75,000)	318,547

The Department returned \$75 million of appropriated capital funding to the Treasury in 2005/06 due to timing in the commencement of some the Department's infrastructure programme.

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

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## STATEMENT OF TRUST MONIES

FOR THE YEAR ENDED 30 JUNE 2006

Account	As at 01/07/05 \$000	Contribution \$000	Distribution \$000	As at 30/06/06 \$000
Prison Trust Accounts	420	10,785	(10,659)	546

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).

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2006

### NOTE 1: OTHER REVENUE

30/06/05 Actual		30/06/06 Actual	30/06/06 Main Estimates	30/06/06 Supp. Estimates
\$000		\$000	\$000	\$000
24,008	External sales	23,584	22,438	23,431
1,279	Rents	1,491	974	974
157	Miscellaneous	173	86	93
<b>25,444</b>	<b>Total other revenue</b>	<b>25,248</b>	<b>23,498</b>	<b>24,498</b>

### NOTE 2: PERSONNEL COSTS

30/06/05 Actual		30/06/06 Actual	30/06/06 Main Estimates	30/06/06 Supp. Estimates
\$000		\$000	\$000	\$000
265,641	Salaries and wages	320,731	304,630	319,748
(9)	Retirement and long service leave	1,831	1,148	1,265
<b>265,632</b>	<b>Total personnel costs</b>	<b>322,562</b>	<b>305,778</b>	<b>321,013</b>

### NOTE 3: OPERATING COSTS

30/06/05 Actual		30/06/06 Actual Estimates	30/06/06 Main Estimates	30/06/06 Supp.
\$000		\$000	\$000	\$000
8,917	Operating lease rentals	11,354	10,431	11,210
229	Audit fees to auditors for audit of the financial statements	240	240	240
161	Fees to auditors for other services provided	175	-	-
34,248	Facilities maintenance	43,684	33,956	34,788
47,475	Offender management costs	62,075	47,624	59,113
12,131	Computer costs	10,207	9,130	10,048
18,537	Contract management	11,741	11,522	11,794
21,677	Administration	28,172	35,128	43,970
21	Bad Debts	66	-	-
30,596	Other operating costs	18,182	29,713	17,330
(5,304)	Forestry revaluation/(devaluation)	4,830	-	-
704	Loss on sale of fixed assets	848	-	-
<b>169,392</b>	<b>Total operating costs</b>	<b>191,574</b>	<b>177,744*</b>	<b>188,493</b>

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

Contract Management costs have reduced this financial year due to the Department taking over the running of the Auckland Regional Remand Prison from GEO Group Australia Pty Ltd.

\* The amount reported to Treasury was \$175,815.

**NOTE 4: DEPRECIATION**

<b>30/06/05</b>		<b>30/06/06</b>	<b>30/06/06</b>	<b>30/06/06</b>
<b>Actual</b>		<b>Actual</b>	<b>Main</b>	<b>Supp.</b>
		<b>Estimates</b>	<b>Estimates</b>	
<b>\$000</b>		<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
32,007	Buildings	42,799	49,486	46,491
938	Leasehold improvements	1,239	860	860
2,870	Plant and equipment	2,866	5,140	5,140
799	Furniture and fittings	952	1,200	1,200
8,718	Computer equipment	11,214	9,000	9,000
3,499	Motor vehicles	3,422	3,100	3,100
<b>48,831</b>	<b>Total depreciation charge</b>	<b>62,492</b>	<b>68,786</b>	<b>65,791</b>

**NOTE 5: CAPITAL CHARGE**

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

The capital charge rate for the year ended 30 June 2006 was 8.0 percent per annum (2005: 8.0 percent).

**NOTE 6: OTHER EXPENSES**

<b>30/06/05</b>		<b>30/06/06</b>	<b>30/06/06</b>	<b>30/06/06</b>
<b>Actual</b>		<b>Actual</b>	<b>Main</b>	<b>Supp.</b>
		<b>Estimates</b>	<b>Estimates</b>	
		<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
(11,559)	Revaluation - buildings	-	-	-
<b>(11,559)</b>	<b>Total other expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>

The prior year actual represents the portion of the 30 June 2005 building revaluation which reverses the revaluation deficit of 30 June 2002.

**NOTE 7: TAXPAYERS' FUNDS**

Taxpayers' Funds comprises two components:

**General Funds**

<b>30/06/05 Actual \$000</b>		<b>Notes</b>	<b>30/06/06 Actual \$000</b>	<b>30/06/06 Main Estimates \$000</b>	<b>30/06/06 Supp. Estimates \$000</b>
<b>672,751</b>	<b>General funds as at 1 July</b>		<b>864,393</b>	<b>853,072</b>	<b>953,302</b>
17,030	Net operating surplus/(deficit)		1,372	-	-
180,083	Capital contribution		318,547	418,870	393,547
<b>197,113</b>			<b>319,919</b>	<b>418,870</b>	<b>393,547</b>
(5,471)	Provision for repayment of surplus to the Crown	13	(1,372)	-	-
<b>864,393</b>	<b>General funds as at 30 June</b>		<b>1,182,940</b>	<b>1,271,942</b>	<b>1,346,849</b>

**Revaluation Reserve**

<b>30/06/05 Total Actual \$000</b>		<b>30/06/06 Livestock \$000</b>	<b>30/06/06 Land \$000</b>	<b>30/06/06 Buildings \$000</b>	<b>30/06/06 Total Actual \$000</b>
238	Balance brought forward	1,497	36,572	50,840	88,909
88,671	Revaluation changes at 30 June	303	-	-	303
<b>88,909</b>	<b>Revaluation Reserve as at 30 June</b>	<b>1,800</b>	<b>36,572</b>	<b>50,840</b>	<b>89,212</b>

**NOTE 8: DEBTORS AND RECEIVABLES**

<b>30/06/05 Actual \$000</b>		<b>30/06/06 Actual \$000</b>
3,408	Trade debtors	2,935
1,040	Other	1,999
(322)	Provision for doubtful debts	(282)
707	GST receivable	-
<b>4,833</b>	<b>Total debtors and receivables</b>	<b>4,652</b>

**NOTE 9: INVESTMENTS**

The increase in investments is primarily due to the issue of shares by the Fonterra Co-operative Group Ltd to Corrections Inmate Employment in lieu of dividends. In order to continue business with the Fonterra Co-operative Group Ltd, Corrections Inmate Employment must hold shares given to it by that Group.

# NOTE 10: PHYSICAL ASSETS

30/06/05 Actual \$000		30/06/06 Actual \$000
	Freehold land	
-	At cost	221
111,840	At valuation – 30 June 2005	111,840
<b>111,840</b>	<b>Land – net book value</b>	<b>112,061</b>
	Buildings	
-	At cost	106,710
573,081	At valuation – 30 June 2005	573,081
-	Accumulated depreciation	(42,742)
<b>573,081</b>	<b>Buildings – net book value</b>	<b>637,049</b>
	Leasehold improvements	
9,162	At cost	10,939
(3,970)	Accumulated depreciation	(4,974)
<b>5,192</b>	<b>Leasehold improvements – net book value</b>	<b>5,965</b>
	Forests	
34,705	At valuation	30,822
<b>34,705</b>	<b>Forests – net book value</b>	<b>30,822</b>
	Plant and equipment	
31,771	At cost	31,966
(19,569)	Accumulated depreciation	(19,903)
<b>12,202</b>	<b>Plant and equipment – net market value</b>	<b>12,063</b>
	Furniture and Fittings	
7,749	At cost	7,895
(4,940)	Accumulated depreciation	(5,418)
<b>2,809</b>	<b>Furniture and fittings – net book value</b>	<b>2,477</b>
	Computer equipment (incl software)	
71,090	At cost	83,521
(43,737)	Accumulated depreciation	(54,917)
<b>27,353</b>	<b>Computer equipment – net book value</b>	<b>28,604</b>
	Motor vehicles	
33,571	At cost	34,846
(18,028)	Accumulated depreciation	(19,991)
<b>15,543</b>	<b>Motor vehicles – net book value</b>	<b>14,855</b>
	Items under construction	
195,291	Buildings	511,719
8,360	Computer equipment	11,700
<b>203,651</b>	<b>Items under construction – net book value</b>	<b>523,419</b>
	Total physical assets	
1,076,620	At cost and valuation	1,515,260
(90,244)	Accumulated depreciation	(147,945)
<b>986,376</b>	<b>Total carrying amount of physical assets</b>	<b>1,367,315</b>

Freehold land and buildings were valued at fair value as at 30 June 2005 by an independent registered valuer, valuersnet.NZ. This valuation was completed 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 2006. 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.

#### NOTE 11: CREDITORS AND PAYABLES

30/06/05 Actual \$000		30/06/06 Actual \$000
33,138	Trade creditors	20,332
59,962	Accrued expenses	67,879
-	GST payable	392
<b>93,100</b>	<b>Total creditors and payables</b>	<b>88,603</b>

#### NOTE 12: PROVISIONS

30/06/05 Total Actual \$000		30/06/06 Total Actual \$000
1,332	Balance brought forward	1,984
652	Additional provisions made during the year	2,293
-	Charged against provision for the year	(1,438)
<b>1,984</b>	<b>Provisions as at 30 June</b>	<b>2,839</b>

Provisions include 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 and a restructuring provision.

#### NOTE 13: PROVISION FOR REPAYMENT OF SURPLUS TO THE CROWN

30/06/05 Actual \$000		30/06/06 Actual \$000
5,471	Net surplus/(deficit)	1,372
-	Add: Other expenses (not for production of outputs)	-
5,471	Net surplus/(deficit) from delivery of outputs	1,372
<b>5,471</b>	<b>Total provision for repayment of surplus to the Crown</b>	<b>1,372</b>

**NOTE 14: PROVISION FOR EMPLOYEE ENTITLEMENTS**

<b>30/06/05</b>		<b>30/06/06</b>
<b>Actual</b>		<b>Actual</b>
<b>\$000</b>		<b>\$000</b>
	Current liabilities	
10,738	Retirement and long service leave	12,187
22,778	Annual leave	26,316
<b>33,516</b>	<b>Total current portion</b>	<b>38,503</b>
	Non-current liabilities	
9,809	Retirement and long service leave	10,005
<b>9,809</b>	<b>Total non-current portion</b>	<b>10,005</b>
<b>43,325</b>	<b>Total provision for employee entitlements</b>	<b>48,508</b>

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

The major assumptions used in the 30 June 2006 valuation is that salary growth rates are 3.0% per annum and discount rates ranged from 5.77% to 6.54% per annum.

**NOTE 15: RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2006**

<b>30/06/05</b>		<b>30/06/06</b>	<b>30/06/06</b>	<b>30/06/06</b>	
<b>Actual</b>		<b>Actual</b>	<b>Main</b>	<b>Supp.</b>	
<b>\$000</b>		<b>\$000</b>	<b>Estimates</b>	<b>Estimates</b>	
<b>\$000</b>		<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	
<b>17,030</b>	<b>Net surplus/(deficit)</b>		<b>1,372</b>	-	-
	Add/(less) non-cash items				
48,831	Depreciation		62,492	68,786	65,791
(1,049)	Inc/(dec) in non-current employee entitlements		196	-	(566)
(17,015)	Inc/(dec) other non-cash items		4,801	-	(330)
<b>30,767</b>	<b>Total non-cash items</b>		<b>67,489</b>	<b>68,786</b>	<b>64,895</b>
	<b>Working capital movements</b>				
473	(Inc)/dec in receivables		181	31	783
12	(Inc)/dec in inventories		(619)	(394)	715
(309)	(Inc)/dec in prepayments		(10)	25	327
22,933	Inc/(dec) in creditors and payables		(15,058)	(4)	(1,020)
2,490	Inc/(dec) in current employee entitlements		4,987	11	91
<b>25,599</b>	<b>Working capital movements – net</b>		<b>(10,519)</b>	<b>(331)</b>	<b>896</b>
	<b>Investing activity items</b>				
-	Add/(less) investing activity items		-	-	-
42	Net loss/(gain) on sale of physical assets		848	-	-
<b>42</b>	<b>Total investing activity items</b>		<b>848</b>	<b>-</b>	<b>-</b>
<b>73,438</b>	<b>Net cash flow from operating activities</b>		<b>59,190</b>	<b>68,455</b>	<b>65,791</b>



**NOTE 16: 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 17: CONTINGENCIES**

The Department does not have any contingent assets as at 30 June 2006 (30 June 2005: nil).

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

**NOTE 18: 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.

**NOTE 19: MAJOR BUDGET VARIATIONS****STATEMENT OF FINANCIAL PERFORMANCE, STATEMENT OF FINANCIAL POSITION, STATEMENT OF CASH FLOWS AND STATEMENT OF DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS**

Opening Taxpayer's Funds and Taxpayer Revaluation Reserves are higher due to the timing issues for the preparation of the 2005/06 Main Estimates. The 2004/05 revaluation of land and buildings was not originally included in the 2005/06 Main Estimates due to the timing of the preparation of the Main Estimates.

Capital contributions, cash and bank balances and general taxpayer's funds are lower than the Main Estimates due to the Department not taking up \$75 million in capital appropriation in 2005/06. The Department did not require this capital funding due to delays in the commencement of the Department's infrastructure work at existing sites. The Department applied for an in-principle capital transfer so that this \$75 million in funding has been transferred to the 2006/07 financial year when expenditure is to occur.

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The increase in physical assets compared to the Main Estimates is due to additional investment in the Department's capital investment programme to add existing prisoner accommodation capacity. Additional work and cost escalations on the Otago Region Corrections Facility (ORCF) and Spring Hill Corrections Facility (SHCF) increased after the preparation of the Main Estimates. The Department self-funded a portion of these capital projects, out of cash generated from the depreciation funding.

Creditors and payables are significantly higher than the Main Estimates due to the increased capital works. This is primarily due to timing issues arising from when payments were made at the end of the financial year.

The Department's \$4.830 million forestry revaluation expense is coded to the Prisoner Employment output class. Section 4 (2a) of the Public Finance Act states that the remeasurement of an asset or liability is not an expense under this section. The forestry revaluation loss recorded at 30 June 2006 represents the valuer's outlook for; logging plan, prices, costs, discount rates, and treatment of land cost.

#### **NOTE 20: POST-BALANCE DATE EVENTS**

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

# STATEMENT OF SERVICE PERFORMANCE

## FOR THE YEAR ENDED 30 JUNE 2006

### 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.

#### OUTPUT CLASS STATEMENT: INFORMATION SERVICES

For the Year Ending 30 June 2006

30/06/05 Actual (\$000)		30/06/06 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates* (\$000)
	<b>REVENUE</b>			
28,223	Crown	30,299	28,837	29,946
0	Other	0	0	0
<b>28,223</b>	<b>Total Revenue</b>	<b>30,299</b>	<b>28,837</b>	<b>29,946</b>
<b>27,951</b>	<b>Total Expenses</b>	<b>29,866</b>	<b>28,837</b>	<b>29,946</b>
<b>272</b>	<b>Net Surplus</b>	<b>433</b>	<b>0</b>	<b>0</b>

\* These figures also include the following adjustment under Section 26A of the Public Finance Act 1989:

	Supp. Estimates (\$000)	Section 26A Transfer (\$000)	Final Appropriation (\$000)
	30,299	(353)	29,946

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of reports to courts:	29,115	28,296	30,000	(1,704)
The number of hours for attendance at courts:	63,809	59,846	60,000	(154)
<b>Quality</b>				
The percentage of reports provided to the following standards:	92%	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:	6	5	15	(10)
<b>Timeliness</b>				
The percentage of reports to courts provided to a timetable set through service level agreements to be no less than:	95%	96%	98%	(2%)

#### Comment

Activity in this output class is driven by demand from courts, with 8% fewer requests for reports to courts than anticipated.

The number of written complaints received from judges at five was significantly below the forecast of 15, and compares with six complaints received in the 2004/05 financial year. This lower number continued trends from previous years, whereby the good informal communications channels established between the Department and judiciary mean that judges do not have to resort to formal written complaints.



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

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of New Zealand Parole Board pre-release reports prepared for prisoners:	4,217	4,575	4,600	(25)
<b>Quality</b>				
The percentage of New Zealand Parole Board pre-release reports provided to the following standards contained in the relevant service descriptions, Public Prisons Service Policy and Procedures Manual and Public Prisons Service Sentence Management Manual to be no less than:	100%	100%	100%	0%
<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>				
<b>Timeliness</b>				
The percentage of New Zealand Parole Board pre-release reports provided within the deadlines set by the Board to be:	94%	96%	100%	(4%)

**Comment**

The number of pre-release reports prepared for prisoners during the year was in line with expectations.

The percentage of pre-release reports provided to the Parole Board within the set deadlines was down on target but higher than in 2004/05.

During the year, the existing planning and reporting processes were reviewed in consultation with the New Zealand Parole Board, and revised processes and pre-release reports agreed. These changes were expected to improve the timeliness of delivery of reports to the Board. Necessary changes to the Department's computer systems initially delayed implementation of the revised processes and reports. Implementation of the improved reporting processes will take place later in 2006/07 once the changes to the computer systems have been completed.

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of home leave reports:	672	616	900	(284)
<b>Quality</b>				
The percentage of home leave reports provided to the following standards:	95%	96%	98%	(2%)
<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:	99%	96%	98%	(2%)

**Comment**

The number of home leave reports delivered is demand-driven, dependent on an individual offender's decision to apply for home leave. The actual number of reports was below the forecast of 900. This forecast was based on previous years' actual numbers of reports of 1,109 in 2002/03 and 864 in 2003/04.



## 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 the offender and his or her suitability to serve their sentence under home detention.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of home detention specialist reports:	3,438	3,013	3,900	(887)
<b>Quality</b>				
The percentage of home detention specialist reports provided to the following standards:	95%	97%	98%	(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>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 Parole Board:	88%	90%	98%	(8%)

**Comment**

Demand for home detention specialist reports is driven by a number of factors: the number of offenders given leave 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.

There was a steady decline in the number of home detention specialist reports in 2005/06, although this decline tapered off in the last half of the financial year. This resulted in the number of reports being 23% below expectations. The percentage of reports provided within the deadlines agreed with the Parole Board was 8% below the forecast for the year.

However, compliance improved dramatically in the last two quarters. When taken in isolation, both the third and fourth quarter returns for deadline compliance were 93% and 94% respectively. Improvements in the latter half of the year can be attributed to clarification of reporting requirements and changes to the timeframes introduced during the second quarter of the financial year.

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of New Zealand Parole Board reports:	987	1,121	900	221
The number of reports to courts:	154	151	100	51
<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 New Zealand 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:	100%	100%	100%	0%
The percentage of reports to courts provided to a timetable set through service level agreements to be:	100%	100%	100%	0%

#### Comment

The high volume of reports to the New Zealand Parole Board continued throughout the year, with the year-end result 25% above forecast levels. Activity in this output is driven by demand from the New Zealand Parole Board, within the context of its business rules and the provisions of Section 107 of the Parole Act 2002. A review undertaken of requests received during the year confirmed that requests conformed to business rules.

The number of psychological reports to courts is demand-driven and continued to exceed forecast volumes with the year-end result 51% above forecast levels.





## 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.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of health assessments completed on offenders for whom an extended supervision order is considered:	93	96	56	40
The number of extended supervision applications to courts:	64	47	56	(9)
The number of applications to the New Zealand Parole Board for special conditions (for offenders who are subject to an extended supervision order):	21	46	56	(10)
<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 applications 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>				
<b>Timeliness</b>				
The percentage of applications to courts made in accordance with departmental timeframes to be:	100%	100%	100%	0%
The percentage of applications to the New Zealand Parole Board provided within deadlines agreed with the Board to be:	62%	100%	100%	0%

### Comment

The health assessment volumes are predicated on the risk levels determined by the Psychological Services' risk measurement.

The number of health assessments completed on offenders for whom an extended supervision order was considered was 71% above the forecast levels. Child-sex offenders are all assessed by a psychologist prior to their first appearance before the Parole Board and a significantly greater number than anticipated were assessed as "sufficiently high-risk" to warrant a health assessment for extended supervision. Next year's outputs are expected to be closer to forecast volumes.

The lower than expected number of applications to the New Zealand Parole Board for special conditions was due to delays in the application process brought about by offenders defending extended supervision orders and longer than anticipated court processes.

All applications to courts and the New Zealand Parole Board were provided within the agreed deadlines and to the standards set out in the 2005/06 Statement of Intent.

## 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.

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

For the Year Ended 30 June 2006

30/06/05 Actual (\$000)		30/06/06 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates* (\$000)
<b>REVENUE</b>				
63,825	Crown	72,217	67,552	70,731
0	Departmental	0	0	250
<b>63,825</b>	<b>Total Revenue</b>	<b>72,217</b>	<b>67,552</b>	<b>70,981</b>
<b>63,187</b>	<b>Total Expenses</b>	<b>69,844</b>	<b>67,552</b>	<b>70,981</b>
<b>638</b>	<b>Net Surplus</b>	<b>2,373</b>	<b>0</b>	<b>0</b>

\* These figures also include the following adjustment under Section 26A of the Public Finance Act 1989:

	Supp. Estimates (\$000)	Section 26A Transfer (\$000)	Final Appropriation (\$000)
	72,467	(1,486)	70,981



## OUTPUT 2.1 Supervision

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of supervision sentences:	5,301	5,565	5,000	565
<b>Quality</b>				
The percentage of offenders who comply with the special conditions imposed as part of their sentence to be no less than:	81%	74%	68%	6%

**Comment**

The number of supervision sentences is a direct result of sentencing decisions by the judiciary. The number of sentences in 2005/06 was 11% above the forecast of 5,000. This forecast was based on actual numbers of 5,029 in 2002/03 and 4,928 in 2003/04.

The percentage of offenders who complied with special conditions imposed as part of their sentence continued to exceed forecast. 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. These factors 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 (e.g. 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.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of community work sentences:	27,928	28,400	29,000	(600)
<b>Quality</b>				
The percentage of offenders who successfully complete a community work sentence to be no less than:	75%	74%	70%	4%

**Comment**

The results for the year were in line with expectations.

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of offenders directed to complete a home detention order:	1,515	1,293	1,900	(607)
<b>Quality</b>				
The percentage of offenders who abscond from home detention to be no more than:	new measure	1%	2%	1%
The percentage of offenders who comply with the special conditions imposed as part of their order to be no less than:	new measure	93%	80%	13%

#### Comment

There was a steady decline in the numbers of offenders directed to complete a home detention order in 2005/06, although this decline tapered off in the second half of the year. Volumes are determined by the decisions of the courts and the New Zealand Parole Board.

The percentage of offenders who comply with special conditions exceeded expectations throughout the year at 13% above the standard, indicating greater effort toward ensuring offender compliance.

## P

## OUTPUT 2.4 Parole Orders

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of prisoners directed to complete a parole order:	1,132	1,244	1,100	144
<b>Quality</b>				
The percentage of offenders who comply with the special conditions imposed as part of their order to be no less than:	75%	71%	65%	6%

**Comment**

The number of prisoners directed to complete a parole order, which was 13% above forecast, is determined by decisions made by the New Zealand Parole Board.

The percentage of offenders who comply with the special conditions imposed as part of their order continued to exceed forecast. This result cannot be attributed to any one factor as compliance is influenced by a wide range of variables, the impacts of which are difficult to quantify. These factors 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 (e.g. 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.

## P

## OUTPUT 2.5 Orders for Post-Release Conditions

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of prisoners released on post-release conditions imposed by the court:	4,652	4,819	5,000	(181)
<b>Quality</b>				
The percentage of offenders who comply with the conditions imposed as part of their order to be no less than:	72%	67%	65%	2%

**Comment**

Both the number of prisoners released on post-release conditions imposed by the court and the percentage of offenders who complied with special conditions imposed as part of their order were in line with expectations.

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of offenders commencing an extended supervision order:	21	45	56	(11)
The number of offenders subject to an extended supervision order at 30 June:	19	62	112	(50)
<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:	100%	97%	100%	(3%)

#### Comment

The number of offenders commencing orders and being managed was below forecast primarily due to the high number of offenders defending the order in court. The reduced number of offenders currently being managed was also due to the number of extended supervision orders being suspended when offenders were re-imprisoned. This includes imprisonment on remand and on sentence for further criminal charges or breach of extended supervision.

## 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 a throughput of 11,792 new remand prisoners, representing an average prison population of 1,365 remand prisoners. This demand is met by accommodating prisoners across remand facilities, with any overflow accommodated in segregated custodial facilities.

### OUTPUT CLASS STATEMENT: CUSTODY OF REMAND PRISONERS

For the Year Ended 30 June 2006

30/06/05 Actual (\$000)		30/06/06 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates* (\$000)
	<b>REVENUE</b>			
70,371	Crown	84,350	69,031	84,753
0	Other	0	0	0
<b>70,371</b>	<b>Total Revenue</b>	<b>84,350</b>	<b>69,031</b>	<b>84,753</b>
<b>70,076</b>	<b>Total Expenses</b>	<b>84,678</b>	<b>69,031</b>	<b>84,753</b>
<b>295</b>	<b>Net Surplus</b>	<b>(328)</b>	<b>0</b>	<b>0</b>

\* These figures also include the following adjustment under Section 26A of the Public Finance Act 1989:

	Supp. Estimates (\$000)	Section 26A Transfer (\$000)	Final Appropriation (\$000)
	84,350	403	84,753

This output entails the management of all remand prisoners 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 reintegrative interventions.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The average number of remand prisoners held by the				
• Auckland Central Remand Prison:	343	0	n/a <sup>1</sup>	0
• Public Prisons Service:	1,247 <sup>2</sup>	1,342 <sup>3</sup>	1,365	23
• Police/court cells	0	55	0	(55)
• The total average number of remand prisoners:	0	1,397	1,365	(32)
<b>Quality</b>				
The number of breakouts per annum:	0	1	n/a <sup>4</sup>	(1)
The number of all other escapes per annum:	0	0	n/a <sup>5</sup>	0

#### Comment

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 was 2% above forecast levels, with the latter reflecting the Ministry of Justice prison population forecast.

The year-end result includes remand prisoners who were held in Police cells, the average of which was 55 prisoners. In general, the Department utilises court cells to accommodate sentenced prisoners where necessary, and Police cells to accommodate remand prisoners, although some remand prisoners were accommodated in court cells during the year.

The breakout was investigated and improvements to processes implemented to reduce the possibility of reoccurrence.

1 The Auckland Central Remand Prison was reintegrated into the Department on 13 July 2005.

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

3 This figure is not directly comparable to previous years' figures due to improvements in the Department's computerised recording systems.

4 No forecast was included in the 2005/06 Statement of Intent.

5 No forecast was included in the 2005/06 Statement of Intent.



## 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.

### OUTPUT CLASS STATEMENT: COURTS AND CUSTODIAL SUPERVISION

For the Year Ended 30 June 2006

30/06/05 Actual (\$000)		30/06/06 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates* (\$000)
	<b>REVENUE</b>			
7,275	Crown	8,323	7,319	8,339
0	Other	0	0	0
<b>7,275</b>	<b>Total Revenue</b>	<b>8,323</b>	<b>7,319</b>	<b>8,339</b>
<b>6,804</b>	<b>Total Expenses</b>	<b>7,976</b>	<b>7,319</b>	<b>8,339</b>
<b>471</b>	<b>Net Surplus</b>	<b>347</b>	<b>0</b>	<b>0</b>

\* These figures also include the following adjustment under Section 26A of the Public Finance Act 1989:

	Supp. Estimates (\$000)	Section 26A Transfer (\$000)	Final Appropriation (\$000)
	8,323	16	8,339

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of prisoners escorted to and from court in				
• Northland/Auckland (including Police escorts): <sup>6</sup>	32,633	37,294	34,400	2,894
• remainder of New Zealand (excluding Police escorts): <sup>7</sup>	8,918	8,686	10,000	(1,314)
<b>Quality</b>				
The number of escapes by prisoners during escort to and from court:	0	3	n/a <sup>8</sup>	(3)

#### Comment

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. However, the number of prisoner escorts also reflects the ongoing prison population pressures with prisoner numbers continuing to track above forecast levels, and the increase in the throughput of prisoners, especially in the Auckland Region.

Recommendations resulting from the investigations into the causes of the three escapes have been put in place, where appropriate, to improve the security of prisoners being escorted to and from court.

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of prisoners supervised in courts in				
• Northland/Auckland: <sup>9</sup>	8,792	9,520	9,400	120
• remainder of New Zealand: <sup>10</sup>	10,515	9,326	10,550	(1,224)
<b>Quality</b>				
The number of escapes by remand prisoners and sentenced prisoners while they are held in custody at court:	0	1	n/a <sup>11</sup>	(1)

#### Comment

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.

Recommendations resulting from the investigation into the escape from custody at court have been put in place to improve the security of prisoners while they are held in custody at court.

<sup>6</sup> Provided by Chubb New Zealand Limited.

<sup>7</sup> Provided by the Public Prisons Service.

<sup>8</sup> No forecast was included in the 2005/06 Statement of Intent.

<sup>9</sup> Provided by Chubb New Zealand Limited.

<sup>10</sup> Provided by the Public Prisons Service.

<sup>11</sup> No forecast was included in the 2005/06 Statement of Intent.

## 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 provided for a throughput of 10,356 new prisoners, representing an average prison population of 5,786 prisoners. This requires the provision of beds and associated facilities to meet security, gender, age and other prisoner needs 24 hours a day.

### OUTPUT CLASS STATEMENT: CUSTODIAL SERVICES

For the Year Ended 30 June 2006

30/06/05 Actual (\$000)		30/06/06 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates* (\$000)
	<b>REVENUE</b>			
286,477	Crown	364,035	369,028	365,346
2,510	Departmental	4,819	5,529	5,529
<b>288,987</b>	<b>Total Revenue</b>	<b>368,854</b>	<b>374,557</b>	<b>370,875</b>
<b>289,151</b>	<b>Total Expenses</b>	<b>370,622</b>	<b>374,557</b>	<b>370,875</b>
<b>(164)</b>	<b>Net Surplus</b>	<b>(1,768)</b>	<b>0</b>	<b>0</b>

\* These figures also include the following adjustment under Section 26A of the Public Finance Act 1989:

	Supp. Estimates (\$000)	Section 26A Transfer (\$000)	Final Appropriation (\$000)
	369,564	1,311	370,875

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The average number of maximum security sentenced prisoners:	62	68 <sup>12</sup>	58	(10)
<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:	77%	85%	100%	(15%)
<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>13</sup>	0
The number of non-returns from temporary release per annum:	0	0	n/a <sup>14</sup>	0
The number of all other escapes per annum:	0	0	n/a <sup>15</sup>	0

**Comment**

The national system for security classification is objectively applied to all prisoners and actual numbers in each classification are largely outside the control of the Department.

The percentage of sentenced prisoners with sentence plans was below the standard, reflecting a backlog of plans within the Public Prisons Service. Plans were developed during the year that improved performance by 8% in the second half of the year. This target was adversely affected by prison population pressures and increased throughput, plus increased prison transfers, all of which contributed to delays in completing prisoner sentence plans within 28 days of sentence commencement.

<sup>12</sup> This figure is not directly comparable to previous years' figures due to the use of a different departmental computerised recording system.

<sup>13</sup> No forecast was included in the 2005/06 Statement of Intent.

<sup>14</sup> No forecast was included in the 2005/06 Statement of Intent.

<sup>15</sup> No forecast was included in the 2005/06 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.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The average number of medium security sentenced prisoners				
• Public Prisons Service:	2,610	2,700 <sup>16</sup>	2,686	(14)
• Police/court cells:	33	21	n/a <sup>17</sup>	(21)
The total average number of medium security sentenced prisoners:	2,643	2,721	2,686	(35)
<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:	90%	86%	100%	(14%)
• on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action				
• assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available				
• the prisoner is placed into the appropriate work/programme				
• the prisoner attends the allocated work/programme				
• all information is recorded and filed on the prisoner's file				
• sentence management plans are reviewed as per the plan.				
The number of breakout escapes per annum:	7	4	n/a <sup>18</sup>	(4)
The number of non-returns from temporary release per annum:	0	0	n/a <sup>19</sup>	0
The number of all other escapes per annum:	2	3	n/a <sup>20</sup>	(3)

**Comment**

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 total average number of medium security prisoners was in line with forecast levels, which reflected the Ministry of Justice prison population forecast.

The percentage of sentenced prisoners with sentence plans was below the standard, reflecting a backlog of plans within the Public Prisons Service. Plans were developed during the year that improved the performance by 3% in the second half of the year. This target was adversely affected by prison population pressures and increased throughput, plus increased prison transfers, all of which contributed to a delay in completing a prisoner sentence plan within 28 days of sentence commencement.

Recommendations resulting from the investigations into the four breakout and three other escapes have been put in place to reduce the possibility of future escapes of the type of each of these escapes.

<sup>16</sup> This figure is not directly comparable to previous years' figures due to the use of a different departmental computerised recording system.

<sup>17</sup> No forecast was included in the 2005/06 Statement of Intent.

<sup>18</sup> No forecast was included in the 2005/06 Statement of Intent.

<sup>19</sup> No forecast was included in the 2005/06 Statement of Intent.

<sup>20</sup> No forecast was included in the 2005/06 Statement of Intent.

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The average number of minimum security sentenced prisoners				
• Public Prisons Service:	2,417	2,746 <sup>21</sup>	2,576	(170)
• Police/court cells:	0	10	n/a <sup>22</sup>	(10)
The total average number of minimum security sentenced prisoners:	2,417	2,756	2,576	(180)
<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:	90%	91%	100%	(9%)
• on induction, each prisoner is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of prisoners. Prisoners are informed of their obligations, rights, privileges and their access to services in a way they can understand. The prisoner's immediate needs are addressed or referred for prompt action				
• assessment interviews include prison staff and the prisoner and take into account any pre-sentence reports that are available				
• the prisoner is placed into the appropriate work/programme				
• the prisoner attends the allocated work/programme				
• all information is recorded and filed on the prisoner's file				
• sentence management plans are reviewed as per the plan.				
The number of breakout escapes per annum:	2	3	n/a <sup>23</sup>	(3)
The number of non-returns from temporary release per annum:	0	1	n/a <sup>24</sup>	(1)
The number of all other escapes per annum:	6	5	n/a <sup>25</sup>	(5)

#### Comment

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 percentage of sentenced prisoners with sentence plans was below the standard, reflecting a backlog of plans within the Public Prisons Service. Plans were developed which improved performance by 5% during the second half of the year. This target was adversely affected by prison population pressures and increased throughput, plus increased prison transfers, all of which contributed to a delay in completing some prisoner sentence plans within 28 days of sentence commencement.

Recommendations from the investigations into the escapes and non-return from temporary release have been put in place. These include improved risk assessment and surveillance of prisoners undertaking work experience, and staff training. Processes have also been put in place to ensure that prisoners do not have access to unauthorised equipment that could be used to facilitate an escape.

21 This figure is not directly comparable to previous years' figures due to the use of a different departmental computerised recording system.

22 No forecast was included in the 2005/06 Statement of Intent.

23 No forecast was included in the 2005/06 Statement of Intent.

24 No forecast was included in the 2005/06 Statement of Intent.

25 No forecast was included in the 2005/06 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.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The average number of maximum security sentenced prisoners:	0	0	0	0
The average number of medium security sentenced prisoners:	97	114 <sup>26</sup>	102	(12)
The average number of minimum security sentenced prisoners:	222	236	239	3
The average number of female sentenced prisoners:	319 <sup>27</sup>	350	341	(9)
<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:				
	73%	75%	100%	(25%)
<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:	2	0	n/a <sup>28</sup>	0
The number of non-returns from temporary release per annum:	0	0	n/a <sup>29</sup>	0
The number of all other escapes per annum:	0	0	n/a <sup>30</sup>	0

**Comment**

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 percentage of sentenced prisoners with sentence plans was below the standard, reflecting a backlog of plans within the Public Prisons Service. This target was adversely affected by prison population pressures and increased throughput, plus increased prison transfers, all of which contributed to delays in completing some prisoner sentence plans within 28 days of sentence commencement.

<sup>26</sup> This figure is not directly comparable to previous years' figures due to the use of a different departmental computerised recording system.

<sup>27</sup> Includes those prisoners who are held in Police and court cells.

<sup>28</sup> No forecast was included in the 2005/06 Statement of Intent.

<sup>29</sup> No forecast was included in the 2005/06 Statement of Intent.

<sup>30</sup> No forecast was included in the 2005/06 Statement of Intent.

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The average number of male sentenced youth prisoners:	118	118	125	7
<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:	79%	92%	100%	(8%)
<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 breakouts per annum from Young Offenders Units:	0	0	n/a <sup>31</sup>	0
The number of all other escapes per annum from Young Offenders Units:	0	0	n/a <sup>32</sup>	0

#### Comment

The average number of male sentenced young offenders is initially influenced by rates of arrests and decisions of the judiciary and is outside the Department's control. Thereafter the national system for security classification is objectively applied to all prisoners and actual numbers in each classification is difficult to predict.

Sentence plans were not completed for 14 male youth prisoners within 28 days of commencement of their sentence. These delays were due to a variety of reasons, including operational pressures, prisoner refusals, or prisoners being held off-site, for example in a secure mental health facility where they have a specific management plan.

<sup>31</sup> No forecast was included in the 2005/06 Statement of Intent.

<sup>32</sup> No forecast was included in the 2005/06 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.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of general random drug screening tests carried out to be no less than:	3,250	3,423	3,208	215
The number of random drug screening tests carried out on prisoners returning from temporary release to be no less than:	350	313	561	(248)
The number of random drug screening tests carried out on identified drug users to be no less than:	1,774	1,961	2,119	(158)
The number of other drug screening tests carried out to be no less than: <sup>33</sup>	5,422	6,020	6,152	(132)
<b>Quality</b>				
The annual average percentage of general random drug screening tests producing a positive result to be no more than:	17%	15%	16%	1%
The annual average percentage of random drug screening tests of prisoners returning from temporary release producing a positive result:	13%	11%	n/a <sup>34</sup>	(11%)
The annual average percentage of random drug screening tests of identified drug users producing a positive result:	34%	31%	n/a <sup>35</sup>	(33%)

**Comment**

The number of general random drug screening tests was 7% more than forecast, and 5% more than in 2004/05. The higher number was influenced by the higher than anticipated average prison population, and the increased throughput of prisoners. These factors also influenced the lower number of random drug screening tests conducted on prisoners returning from temporary release and on identified drug users. However, the total number of random drug tests carried out was 6% above the number in the 2004/05 financial year.

The number of general random drug tests producing a positive result was lower than expected. This was a positive result for the Department.

The number of other drug screening tests carried out was 2% lower than expected, but reflects an 11% improvement compared with 2004/05.

It should be noted that the above results are based on the number of test results received back by 30 June 2006, and do not include results still awaited at that date.

<sup>33</sup> Other drug screening tests are defined as those undertaken either on "reasonable grounds" or on a voluntary basis.

<sup>34</sup> No forecast was included in the 2005/06 Statement of Intent.

<sup>35</sup> No forecast was included in the 2005/06 Statement of Intent.

## 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 for work with 1,410 hours per year of work training experience. This year's target was 5 million hours.

### OUTPUT CLASS STATEMENT: PRISONER EMPLOYMENT

For the Year Ended 30 June 2006

30/06/05 Actual (\$000)		30/06/06 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates* (\$000)
	<b>REVENUE</b>			
5,666	Crown	9,229	6,958	9,185
25,444	Other	25,248	23,498	24,498
<b>31,110</b>	<b>Total Revenue</b>	<b>34,477</b>	<b>30,456</b>	<b>33,683</b>
<b>28,174</b>	<b>Total Expenses</b>	<b>37,574</b>	<b>30,456</b>	<b>33,683</b>
<b>2,936</b>	<b>Net Surplus</b>	<b>(3,097)</b>	<b>0</b>	<b>0</b>

\* These figures also include the following adjustment under Section 26A of the Public Finance Act 1989:

	Supp. Estimates (\$000)	Section 26A Transfer (\$000)	Final Appropriation (\$000)
	33,727	(44)	33,683

## R

## OUTPUT 6.1 Land-Based Activities

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of hours worked by prisoners employed in land-based activities:	780,485	791,865	774,560	17,305
<b>Quality</b>				
The number of hours of prisoner employment per NZQA unit standard delivered:	new measure	308	588	280

**Comment**

Total hours of employment exceeded expectations. The lower hours of prisoner employment per New Zealand Qualifications Authority (NZQA) standard delivered (at 47% below forecast) indicates that significantly fewer hours of employment were needed to achieve a NZQA standard.

In 2005/06 the Department provided land-based employment activities to an average number of 390 prisoners, achieving a total of 2,575 New Zealand Qualifications Authority (NZQA) standards. This improvement in the volume of NZQA standards achieved resulted from the adoption of innovative tactics such as the use of external trainers, or assigning instructors as "specialist trainers".

## R

## OUTPUT 6.2 Manufacturing Activities

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of hours worked by prisoners employed in manufacturing activities:	883,618	818,293	826,260	(7,967)
<b>Quality</b>				
The number of hours of prisoner employment per NZQA unit standard delivered:	new measure	761	1,692	931

**Comment**

Total hours of employment were within expectations. The lower hours of prisoner employment per New Zealand Qualifications Authority (NZQA) standard delivered (at 55% below forecast) indicates that significantly fewer hours of employment were needed to achieve a NZQA standard.

In 2005/06 the Department provided manufacturing employment activities to an average number of 452 prisoners, achieving a total of 1,075 New Zealand Qualifications Authority (NZQA) standards. This improvement in the volume of NZQA standards achieved resulted from the adoption of innovative tactics such as the use of external trainers, or assigning instructors as "specialist trainers".

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

- kitchens and laundry
- cleaning
- prison asset maintenance.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of hours worked by prisoners in internal self-sufficiency activities				
• Public Prisons Service: <sup>36</sup>	1,826,134	2,294,604	2,006,000	288,604
• Corrections Inmate Employment:	1,124,906	1,248,446	1,216,125	32,321
The total number of hours worked by prisoners in internal self-sufficiency activities:	2,951,040	3,543,050	3,222,125	320,925
<b>Quality</b>				
The number of hours of prisoner employment per NZQA unit standard delivered:				
	new measure	651	1,058	407

#### Comment

Internal service self-sufficiency activities are delivered by both Corrections Inmate Employment (CIE) and the Public Prisons Service, with the over-delivery in the year continuing the trend established in the 2003/04 and 2004/05 financial years. The over-delivery was primarily attributable to the Public Prisons Service, reflecting the continuing emphasis on unit cleaning and hygiene, and as a means of minimising the impact of the reduction in other prisoner employment opportunities available at certain locations and for prisoners of particular security classifications. However, there was also a marked increase in CIE internal service activities in kitchens and laundries.

Total hours of employment exceeded expectations (10%). The lower hours of prisoner employment per New Zealand Qualifications Authority (NZQA) standard delivered (at 38% below forecast) indicates that significantly fewer hours of employment were needed to achieve a NZQA standard.

In 2005/06 the Department provided internal service self-sufficiency employment activities to an average number of 590 prisoners in Corrections Inmate Employment and an average of 1,223<sup>37</sup> prisoners in the Public Prisons Service, achieving a total of 1,917 New Zealand Qualifications Authority (NZQA) standards. This improvement in the volume of NZQA standards achieved resulted from the adoption of innovative tactics such as the use of external trainers, or assigning instructors as "specialist trainers".

The forecast number of hours worked by prisoners in internal self-sufficiency activities is prepared annually based on an average of the preceding two years' historical data.

<sup>36</sup> The separation of hours worked details the difference between CIE and PPS. CIE activities are NZQA based and PPS activities are not.

<sup>37</sup> Average based on monthly "snapshot" of the number of prisoners engaged in internal self-sufficiency activities with the Public Prisons Service.



## OUTPUT 6.4 Release-to-Work

This output relates to employment undertaken by minimum security prisoners in workplaces outside the prison. These are prisoners nearing release who are on release-to-work.

This output relates to the provision of employment hours completed by prisoners participating in the release-to-work programme.

This programme allows prisoners nearing their release date and who meet the eligibility criteria to be temporarily released during the day to work.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of hours worked by prisoners on release-to-work activities:	30,350	39,665	84,600	(44,935)
<b>Quality</b>				
The percentage of prisoners undertaking release-to-work activities who meet the eligibility criteria:	100%	100%	100%	0%

**Comment**

An average of 25 prisoners was engaged on release-to-work activities, compared with the forecast average of 45 prisoners, primarily attributable to insufficient numbers of prisoners being available in the particular locations and with the appropriate security classifications.

The Department was also not able to place the expected number of prisoners on release-to-work while the review of the release-to-work scheme was underway. This review is due to be completed by September 2006. However, the Department aimed to identify at least ten eligible and suitable prisoners per prison for release-to-work activities, and there was an increase in the number of prisoners engaged on release-to-work activities in June, peaking at 27. Where possible, prisoners available for work but not matching the release-to-work opportunities available, are employed in activities operated by the Department's Corrections Inmate Employment.

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of prisoners who commence training towards the achievement of an externally recognised qualification				
• Public Prisons Service:	1,370	1,428	1,180	248
• Corrections Inmate Employment <sup>38</sup> :	new measure	199	n/a <sup>39</sup>	199
<b>Quality</b>				
The percentage of prisoners undertaking training activities who receive an externally recognised qualification <sup>40</sup>				
• Public Prisons Service:	83%	62%	40%	22%
• Corrections Inmate Employment <sup>41</sup> :	new measure	18%	n/a <sup>42</sup>	18%

#### Comment

The number of prisoners who commenced Public Prison Service training and the percentage who received a qualification were above forecast by 21% and 22% respectively, reflecting the positive trend established over the last two years.

The Public Prisons Service regions have consistently exceeded the target in respect of prisoners commencing vocational training activities, reflecting the fact that many of the courses offered (which are generally low cost) are of short duration, and thus attractive to prisoners. The attraction of these short courses is also reflected in the result for prisoners receiving externally recognised qualifications.

Corrections Inmate Employment conducted the first trial of classroom-based vocational training at the Northland Region Corrections Facility from November 2005 to March 2006. Three programmes were provided by the Northland Polytechnic, resulting in a total of 200 credits with 34 prisoners gaining a New Zealand Qualifications Authority (NZQA) qualification. The majority of prisoners who did not gain an NZQA qualification during the trial will continue training during the next courses.

38 CIE commenced classroom vocational training in November 2005.

39 No forecast was included in the 2005/06 Statement of Intent.

40 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.

41 CIE commenced classroom vocational training in November 2005.

42 No forecast was included in the 2005/06 Statement of Intent.



## 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.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of hours worked by prisoners on community service:	55,312	32,992	68,000	(35,008)
The average number of prisoners engaged on community service:	56	40	68	(28)

### Comment

The year-end result reflects staffing level and prison population pressures, particularly those associated with the increased throughput of remand and short-serving prisoners, causing the unavailability of staff to supervise work parties and affecting the ability of some Public Prisons Service regions to meet community service requirements.

Consequently both deliverable hours and numbers of prisoners employed were below forecast levels. Where operational requirements permitted, emphasis continued to be placed on community service activities to identify and take advantage of all available opportunities.

## 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) which 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.

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

For the Year Ended 30 June 2006

30/06/05 Actual (\$000)		30/06/06 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates* (\$000)
	<b>REVENUE</b>			
40,266	Crown	47,969	45,729	47,899
836	Departmental	1,107	1,496	1,496
<b>41,102</b>	<b>Total Revenue</b>	<b>49,076</b>	<b>47,225</b>	<b>49,395</b>
<b>40,608</b>	<b>Total Expenses</b>	<b>45,802</b>	<b>47,225</b>	<b>49,395</b>
<b>494</b>	<b>Net Surplus</b>	<b>3,274</b>	<b>0</b>	<b>0</b>

\* These figures also include the following adjustment under Section 26A of the Public Finance Act 1989:

	Supp. Estimates (\$000)	Section 26A Transfer (\$000)	Final Appropriation (\$000)
	49,465	(70)	49,395





## OUTPUT 7.1 Responsivity/Motivational Programmes

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

- Straight Thinking, which aims to improve the critical reasoning required for effective social integration.
- Tikanga Māori programmes, which are delivered to community-based offenders, remand and sentenced 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 that are delivered in the Faith-based Unit at Rimutaka Prison.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>STRAIGHT THINKING PROGRAMMES</b>				
<b>Quantity</b>				
The number of hour's offenders spend attending a Straight Thinking programme				
• Prisoners:	39,812	31,832	56,000	(24,168)
• Community-based offenders:	21,330	12,412	65,100	(52,688)
The number of offenders who start a Straight Thinking programme				
• Prisoners:	710	526	800	(274)
• Community-based offenders:	483	275	930	(655)
<b>Quality</b>				
The percentage of offenders who start and complete a Straight Thinking programme				
• Prisoners:	87%	80%	80%	0%
• Community-based offenders:	54%	55%	65%	(10%)

### Comment

During 2005/06 the Department undertook a review of the programmes delivered by Intervention Services and agreed to a new approach to rehabilitation programmes. As part of this, it was decided not to commence any new Straight Thinking programmes from the end of March 2006.

The decision was consistent with recent research evidence in New Zealand and overseas and the outcomes of programmes measured by the rehabilitation quotient. Current evidence indicates that the intensity of a programme should be related to the level of risk of the offenders. While Straight Thinking was a relatively low-intensity (70 hours) programme, it had been targeted to medium to high-risk offenders. To address the motivation of offenders, a short motivation programme, which the Department designed and has successfully delivered, is being introduced from July 2006.

Hence, the year-end result for the Straight Thinking programmes reflects both the impact of discontinuing delivery of these programmes in the last quarter of the financial year, and progress made against the annual targets to the end of the third quarter. That is, at the end of March 2006, the number of offenders who had commenced a Straight Thinking programme (at 526) was 87% of the year-to-date target (of 602 offenders), whereas with no additional new offenders starting the programme after March 2006, these 526 offenders represented 66% of the full year target of 800.

The number of community-based offenders commencing Straight Thinking remained constant for the first three quarters of the year at about 40% of the quarterly target. The low level of appropriate referrals of community-based offenders remained an issue throughout the year. The large variance in programme hours completed by community-based offenders was due to the lower than forecast number of offenders commencing the programme, as well as offenders exited from programmes due to poor motivation and attendance.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>TIKANGA MĀORI PROGRAMMES</b>				
<b>Quantity</b>				
The number of offenders who start a Tikanga Māori programme				
• Prisoners:	841	991	1,053	(62)
• Community-based offenders:	416	632	523	109
<b>Quality</b>				
The percentage of offenders who start and complete a Tikanga Māori programme to be no less than				
• Prisoners:	96%	93%	90%	3%
• Community-based offenders:	71%	70%	65%	5%
<b>FAITH-BASED UNIT</b>				
<b>Quantity</b>				
The number of sentenced prisoners in the Faith-based Unit to be up to:				
	60	60	60	0%
<b>Quality</b>				
The minimum average occupancy rate:				
	100%	100%	95%	5%

#### Tikanga Māori Programmes

##### Comment

The lower than expected number of prisoners who started the programme in the Public Prisons Service was primarily due to the cancellation of one Tikanga Māori programme.

In the Community Probation Service, numbers in the first three quarters of the 2005/06 financial year were below forecast levels with the number of new starts for the whole year exceeding expectations. This was the result of a schedule that saw the majority of Tikanga programmes taking place in the last quarter of the year.

The contracting of new providers and ensuring that appropriate programme delivery processes are in place contributed to a completion rate that was above forecast levels.

#### Faith-based Unit

##### Comment

The results for the year were in line with expectations.



## OUTPUT 7.2 Criminogenic Programmes

This output delivers programmes to address an offender's criminogenic needs, either in prison or in 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.
- EQUIP, a youth offender programme designed to develop cognitive behavioural reasoning for effective social interaction.
- 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 specialist treatment units.
- Generic criminogenic programmes, such as the Mixed Programme to Reduce Re-offending (M-PRO) and Structured Individual Programmes (SIP).
- Māori therapeutic programmes delivered in Māori focus units.
- Making Our Drivers Safe (MODS), a programme delivered within the community to reduce re-offending by addressing high-risk, recidivist traffic offenders.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>SEX OFFENDER TREATMENT PROGRAMMES</b>				
<b>Quantity</b>				
The number of hours prisoners spend attending a programme at				
• Kia Marama:	12,616	12,999	12,500	499
• Te Piriti:	12,883	13,075	12,500	575
The number of prisoners who start a programme at				
• Kia Marama:	40	40	40	0
• Te Piriti:	40	47	40	7
<b>Quality</b>				
The number of prisoners who start and complete a programme to be no less than				
• Kia Marama:	38	38	38	0
• Te Piriti:	39	37	38	(1)
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%
• norm building				
• construction of offence chain incorporating challenging cognitive distortion				
• sexual arousal reconditioning				
• victim impact and empathy				
• social skills, relationship skills and sex education				
• mood, anger and stress management and problem solving				
• relapse prevention				
• release planning.				

### Comment

All results are within forecast levels with the exception of the number of prisoners who started a programme at Te Piriti, which was above forecast by seven prisoners or 18%. Te Piriti commenced one additional programme during the year to treat prisoners with intellectual difficulties who cannot undertake the standard programme.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>VIOLENCE PREVENTION PROGRAMMES</b>				
<b>Quantity</b>				
The number of hours prisoners spend attending a violence prevention programme at Rimutaka Prison:	8,007	8,714	7,700	1,014
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%	73%	70%	3%
<b>Comment</b>				
The number of hours prisoners spend attending violence prevention programmes at the Rimutaka Violence Prevention Unit was above expectations, primarily due to more time being spent in group therapy sessions while the group facilitators were familiarising themselves with the revised manual and changes made to the programme during the year. More individual work was undertaken to keep difficult prisoners in the group.				
Improved rates of retention in the groups meant that prisoners remained in the groups for longer before being evicted. This impacted on the hours delivered but not on the percentage of offenders who completed a programme, which was 3% above forecast.				
<b>EQUIP</b>				
<b>Quantity</b>				
The number of EQUIP programme hours provided to young offenders:	3,691	3,553	4,080	(527)
The number of young offenders who start a EQUIP programme:	181	189	145	44
<b>Quality</b>				
The percentage of sentenced youth in the Department's Young Offenders Units who participate in an EQUIP programme:	59%	67%	98%	(31%)
<b>Comment</b>				
The number of EQUIP hours delivered to young offenders remained below expectations throughout the year. Almost half the under-production resulted from the decision not to proceed with the planned unit at the Northland Region Corrections Facility. The remainder of the under-delivery resulted from the very high number of remand prisoners in the Hawke's Bay Regional Prison Youth Unit who were not eligible to attend the programme.				
The number of young offenders who started an EQUIP programme was 30% above target due to high levels of throughput in the Young Offenders Units, which was exacerbated by movements to accommodate prison population pressures.				
The percentage of sentenced youth in the Young Offenders Units who participated in an EQUIP programme continued to be below planned levels, reflecting the continued high level of throughput, in combination with the continued impact of the sentence management business rules under which certain prisoners are not eligible for the programme. It also related to enhancements to the programme, whereby youth are assessed and assigned to the programme based on risk and need, and timed to fit in with the structured group programmes.				



## OUTPUT 7.2 Criminogenic Programmes (continued)

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>CRIMINOGENIC PROGRAMMES (excluding MĀORI THERAPEUTIC PROGRAMMES)</b>				
<b>Quantity</b>				
The number of hours offenders spend attending a criminogenic programme				
• Prisoners:	73,410	86,820	94,758	(7,938)
• Community-based offenders:	36,428	34,290	73,190	(38,900)
The number of offenders who start a criminogenic programme				
• Prisoners:	466	548	516	32
• Community-based offenders:	513	539	783	(244)
<b>Quality</b>				
The percentage of offenders who start and complete a criminogenic programme				
• Prisoners:	67%	76%	75%	1%
• Community-based offenders:	71%	65%	65%	0%
<b>MĀORI THERAPEUTIC PROGRAMMES</b>				
<b>Quantity</b>				
The number of hours prisoners spend attending Māori therapeutic programmes:				
	2,728	12,117	14,000	(1,883)
The number of prisoners who start a Māori therapeutic programme:				
	20	137	140	(3)
<b>Quality</b>				
The percentage of prisoners who start and complete Māori therapeutic programmes to be no less than:				
	100%	58%	75%	(17%)

**Criminogenic Programmes (Excluding Māori Therapeutic Programmes)****Comment**

During 2005/06, the Department reviewed its suite of criminogenic programmes and revised its approach. The revised approach is based on more focused targeting of offenders to programme types, development of more intensive programmes for medium and high-risk offenders, the introduction of a short motivational programme and an increased focus on relapse prevention.

Until the new programmes are put in place during 2006/07, the 100-hour criminogenic programmes that address specific needs (alcohol and drug, violence and driving) continued to be delivered, but the mixed programme was immediately halted. In addition, the eligibility criteria were restricted to medium-risk offenders over the age of 20 years. These decisions are consistent with recent research evidence in New Zealand and overseas and the outcomes of programmes measured by the rehabilitation quotient. This decision had an effect on the overall hours delivered to prisoners and community-based offenders attending criminogenic programmes.

In addition, the overall hours delivered were affected by:

- The Public Prisons Service's Kowhai Drug Treatment Unit curtailing its alcohol and drug treatment programme delivery to prisoners until a new viable alternative was selected and approved by the Department. This programme has been re-established for the 2006/07 financial year, which will improve delivery performance of criminogenic programmes to prisoners.
- Delivery hours to community-based offenders being affected by offender absences during programmes, the number of offenders starting the programme, and some programmes not being completed before the end of the financial year. This resulted in resources being switched during the year to provide more programmes to prisoners and less to community-based offenders.

By year-end, the number of prisoners starting a 100-hour criminogenic programme run by Intervention Services exceeded the target by 29% (426 new starts compared with a target of 330), whereas the year-end position for criminogenic programmes delivered to

offenders in the community was 31% below target (539 new starts compared with a target of 783). The number of community-based offenders starting a 100-hour criminogenic programme declined during the last quarter. This has been identified as a likely consequence of the decision to cease delivery of the mixed programme and to restrict the eligibility criteria.

#### Māori Therapeutic Programmes

##### Comment

One Māori therapeutic programme was cancelled during the year and another programme carried over into the 2006/07 financial year. This resulted in the number of hours prisoners spent attending Māori therapeutic programmes and the percentage of prisoners completing these programmes being lower than forecast.

## 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.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of hours offenders spend attending other rehabilitative programmes funded by Probation and Offender Services:	117,911	143,539	110,000	33,539
<b>Quality</b>				
The percentage of offenders who start and complete rehabilitative programmes funded by Probation and Offender Services to be no less than:	53%	54%	65%	(11%)

##### Comment

The number of offender hours spent on these rehabilitative programmes was above forecast by 30% for the year. Preliminary analysis has determined that this result was driven by providers making more hours available per offender on domestic violence programmes and residential alcohol and drug programmes.

However, the percentage of offenders who completed programmes was 11% below forecast. The completion rate remained consistent with the previous year, and was driven by high exit rates from domestic violence programmes, most commonly due to non-attendance. Improvements are being made to contract monitoring and reporting to allow for more in-depth analysis of programmes.



## 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.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>NATIONAL CERTIFICATE IN EMPLOYMENT SKILLS</b>				
<b>Quantity</b>				
The number of hours prisoners spend attending a module under the NCES:	132,003	152,409	245,269	(92,860)
<b>Quality</b>				
The percentage of prisoners who start and complete a module under the NCES to be no less than:	84%	94%	80%	14%

### Comment

The number of hours prisoners attended NCES was 38% below target for the year. A number of key factors contributed to the lower programme hours, including:

- smaller than forecast class sizes due to the need to appropriately stream prisoners into homogenous educational groups
- low prisoner demand and participation rates
- prison population pressures and the associated high numbers of transfers and movements
- changes to operational practices at certain sites, resulting from ongoing prison population issues and staff shortages.

Nevertheless, the 2005/06 financial year saw a significant improvement in the number of qualifications attained compared with the 2004/05 financial year, with:

- 257 prisoners graduating with the full qualification (an increase of 185%)
- 34,700 unit credits being gained by prisoners (an increase of 14%)
- 24,652 tutor hours delivered within prisons (an increase of 9%).

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

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>WHĀNAU LIAISON SERVICE</b>				
<b>Quantity</b>				
The number of offenders and their families/whānau receiving the whānau liaison service to be no less than:	267	351	286	65
<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:	94%	82%	100%	(18%)
<b>Comment</b>				
Demand for the whānau liaison service exceeded expectations. Not all referrals result in an action plan, for example some referrals may terminate at the assessment stage.				
<b>REINTEGRATIVE SERVICES – provided by the Public Prisons Service</b>				
<b>Quantity</b>				
The number of hours delivered by the Public Prisons Service for reintegrative services for prisoners:	24,575	24,587	38,940	(14,353)
<b>Quality</b>				
The percentage of reintegrative services provided by the Public Prisons Service in accordance with a prisoners plan to be no less than:	90%	58%	90%	(32%)
<b>Comment</b>				
Targets for reintegrative services provided by the Public Prisons Service were not met due to lower delivery recorded in each of the living, budgeting and parenting skills programmes, primarily attributable to the following factors:				
<ul style="list-style-type: none"> <li>• smaller class sizes than anticipated</li> <li>• lower number of referrals than anticipated</li> <li>• high attrition rate</li> <li>• prison population-related issues and prisoner transfers.</li> </ul>				





## OUTPUT 7.5 Reintegrative Services (continued)

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>REINTEGRATIVE SERVICES – provided by the New Zealand Prisoners' Aid and Rehabilitation Society (NZPARS)</b>				
<b>Quantity</b>				
The number of support service hours provided to be no more than:	40,070	42,236	42,248	(12)
<b>Quality</b>				
The percentage of referrals (urgent or otherwise) to NZPARS per month acknowledged within five working days of receipt:	98%	100%	95%	5%
<b>Comment</b>				
The results for the year were in line with expectations.				
<b>REINTEGRATIVE SUPPORT SERVICES</b>				
<b>Quantity</b>				
The number of offenders and their families/whānau receiving the service to be no more than:	91	78	120	(42)
<b>Quality</b>				
The percentage of offenders and their families/whānau receiving the service for which an action plan is developed to be no less than:	100%	100%	100%	0%
<b>Comment</b>				
The number of offenders and their families/whānau receiving reintegrative support services was 35% below forecast. Both the PILLARS and PARS reintegrative programmes finish on 30 September 2006 and neither programme has been accepting new referrals since February 2006. This led to a steadily decreasing number of offenders receiving these services.				
<b>REINTEGRATIVE SUPPORT SERVICES – supported accommodation initiatives (including community reintegrative accommodation)</b>				
<b>Quantity</b>				
The number of offenders receiving the service to be no more than:	new measure	8	25	(17)
<b>Quality</b>				
The percentage of offenders who start and complete a supported accommodation service:	new measure	100%	65%	35%
<b>Comment</b>				
The target of securing eight properties for the supported accommodation pilot was met. The lower than expected volumes of offenders being supported were the result of slower than expected property acquisition.				
Of the eight offenders who received this service, six are still being housed in supported accommodation and two have successfully moved into other accommodation.				

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>COMMUNITY RESIDENTIAL CENTRES</b>				
<b>Quantity</b>				
The number of offenders directed to attend a community residential centre:	68	72	82	(10)
The number of psychologist hours provided to Montgomery House:	860	916	740	176
<b>Quality</b>				
The percentage of offenders who successfully undertake their community residential centre order to be no less than:	87%	68%	60%	8%
The percentage of assessments for Montgomery House programmes for which all of the information elements were assessed to be no less than:	100%	97%	100%	(3%)
The percentage of post-programme assessments for Montgomery House programmes completed by a psychologist to be no less than:	100%	100%	100%	0%
The percentage of clinical monitoring reports for Montgomery House programmes that adhere to the standards to be no less than:	100%	100%	100%	0%
<b>Timeliness</b>				
The percentage of clinical monitoring reports for Montgomery House programmes provided within agreed timeframes to be no less than:	100%	100%	100%	0%

**Comment**

Whilst the number of offenders directed to attend a community residential centre was below forecast, all three programmes ran at capacity during the last quarter in the year.

The number of psychologist hours provided to Montgomery House has remained above forecast throughout the year. A level of expertise built up among other Hamilton psychologists resulted in additional staff attending and co-facilitating groups in order to maintain expertise in programme delivery. More sessions were delivered because of the complexity of the issues that needed to be addressed within the context of the programmes.

The percentage of offenders who successfully undertook their community residential centre order exceeded forecast. A wide range of variables influenced this result. One factor has been greater understanding amongst Probation Officers of the referral criteria, which has resulted in an increase in the quality of referrals and more offenders who are likely to complete a programme being referred and completing their programmes.

The percentage of assessments for programmes at Montgomery House in which all information elements were assessed was slightly below target at 97%, as one assessment did not fully assess all information elements.

## R OUTPUT 7.6 Community Residential Centres and the Reducing Youth Offending Programme (continued)

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>REDUCING YOUTH OFFENDING PROGRAMME</b>				
<b>Quantity</b>				
The number of youth who are directed to attend a Reducing Youth Offending Programme:	109	53	130	(77)
<b>Quality</b>				
The percentage of youth who successfully undertake the Reducing Youth Offending Programme order to be no less than:	74%	69%	70%	(1%)

**Comment**

No new young offenders were accepted into the Reducing Youth Offending Programme after early February 2006 due to uncertainty over the programme's future. When decisions were available on the programme's future, including Child, Youth and Family extending the pilot without the active involvement of the Department, new young offenders were held on a waiting list while changes in referral criteria and treatment priorities were determined. This, coupled with capacity and referral issues in the first two quarters of the year, resulted in fewer numbers of youth attending the programme than expected.

However, 69% of young offenders successfully completed the full programme during the year.

The Reducing Youth Offending Programme will not be available in the 2006/07 financial year for offenders managed by the Department.

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>PSYCHOLOGICAL SERVICES</b>				
<b>Quantity</b>				
The number of psychological consultation hours provided to the				
• Public Prisons Service:	9,609	12,293	9,575	2,718
• Community Probation Service:	10,751	10,872	11,132	(260)
• Community Probation Service (extended supervision):	23	176	312	(136)
The number of psychological reports provided to the				
• Public Prisons Service:	975	1,232	812	420
• Community Probation Service:	1,089	1,197	916	281
<b>Quality</b>				
The percentage of psychological consultations which 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.				
The percentage of psychological reports that meet the following standards to be no less than:	100%	100%	95%	5%
• concise, logical and grammatically correct				
• source and reason for referral are clearly stated				
• all relevant and appropriate information is included				
• sources of information are well documented and verified				
• clear statements of recommendations for further interventions				
• complies with the Code of Ethics of the NZ Psychological Society 1986.				

#### Comment

The psychological consultation hours provided to the Public Prisons Service were 28% above forecast levels. The rape treatment pilot at Auckland Prison delivered hours in excess of those normally expected by the Psychological Service. The rape group pilot is an approved project to develop a programme for a group of offenders who previously were not catered for in the existing range of available programmes.

The psychological consultation hours provided to the Community Probation Service for extended supervision remained below forecast levels, primarily due to a number of offenders eligible for treatment under the extended supervision regime choosing to defend the extended supervision order, delaying the start of the order and consequently meaning these offenders were not eligible to receive treatment. Some cases have been outstanding for more than a year with multiple adjournments happening when they have been scheduled to be heard.



## OUTPUT 7.7 Provision of Psychological Services (continued)

The number of psychological reports provided to the Public Prisons Service and the Community Probation Service was above forecast levels, primarily reflecting the throughput of offenders in the Young Offenders Units, and the requirement to provide reports on offenders as they move out of the programmes. In addition, the urgency of waiting lists continued to necessitate the undertaking of assessments (which require a report) to prioritise offenders.

The quality of psychological consultations and reports continues to be above forecast at 100%. Forecast targets for consultation and reports are currently set at 95%. This target may be reviewed in light of continuing high performance for these outputs.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>BICULTURAL THERAPY MODEL</b>				
<b>Quantity</b>				
The number of consultation hours provided by Māori service providers under the Bicultural Therapy Model:	3,897	3,933	4,000	(67)
<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:	99%	100%	100%	0%
<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>				
<b>Comment</b>				
The results for the year were in line with expectations.				



## OUTPUT 7.8 Chaplaincy Services

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of full-time equivalent chaplains in prisons:	32	34	26	8
<b>Quality</b>				
The percentage of chaplaincy services delivered in accordance with the service description to be no less than:	100%	100%	100%	0%
<b>Comment</b>				
The increased number of chaplains reflects the fact that additional Catholic chaplains were made available on a gratis basis as a gesture of goodwill.				

## 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.

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

For the Year Ended 30 June 2006

30/06/05 Actual (\$000)		30/06/06 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates* (\$000)
	<b>REVENUE</b>			
5,434	Crown	5,488	5,537	5,604
0	Other	0	0	0
<b>5,434</b>	<b>Total Revenue</b>	<b>5,488</b>	<b>5,537</b>	<b>5,604</b>
<b>5,356</b>	<b>Total Expenses</b>	<b>5,594</b>	<b>5,537</b>	<b>5,604</b>
<b>78</b>	<b>Net Surplus</b>	<b>(106)</b>	<b>0</b>	<b>0</b>

\* These figures also include the following adjustment under Section 26A of the Public Finance Act 1989:

	Supp. Estimates (\$000)	Section 26A Transfer (\$000)	Final Appropriation (\$000)
	5,488	116	5,604



## OUTPUT 8.1 Services to the New Zealand Parole Board

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of hearings by the New Zealand Parole Board:	8,971	8,745	8,000	745
<b>Quality</b>				
The percentage of offenders or victims notified of an impending hearing at least 10 working days before a hearing:	100%	n/a	95%	0%
The percentage of offenders or victims notified of a Board decision within 10 working days after a hearing:	95%	n/a	95%	0%
The percentage of papers for home detention (deferred sentences) hearings provided to the Board at least five working days before a hearing:	97%	n/a	95%	0%
The percentage of all other papers for each hearing provided to the Board at least 10 working days before a hearing:	95%	n/a	95%	0%
The scheduling of cases to be heard by the Board to be within the timeframe specified in the Parole Act 2002:	100%	n/a	100%	0%

**Comment**

The volume of home detention hearings reduced as expected due to the 2004 legislative changes relating to home detention. However, this was offset by an increase in parole hearings. There are many reasons for this increase, including the increased prison population.

The total number of hearings during the year was 9% above forecast but declined compared with the previous years.

With regard to the quality measures above, no verifiable recording systems are currently in place to accurately measure performance against these standards. A review of these measures will be undertaken in 2006/07 to determine whether these measures are appropriate and to ensure that systems are in place to accurately record performance against the revised measures resulting from this review.

## OUTPUT CLASS 9 POLICY ADVICE AND DEVELOPMENT

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

### OUTPUT CLASS STATEMENT: POLICY ADVICE AND DEVELOPMENT

For the Year Ended 30 June 2006

30/06/05 Actual (\$000)		30/06/06 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates* (\$000)
	<b>REVENUE</b>			
5,309	Crown	5,403	5,309	5,470
0	Other	0	0	0
<b>5,309</b>	<b>Total Revenue</b>	<b>5,403</b>	<b>5,309</b>	<b>5,470</b>
<b>4,938</b>	<b>Total Expenses</b>	<b>5,122</b>	<b>5,309</b>	<b>5,470</b>
<b>371</b>	<b>Net Surplus</b>	<b>281</b>	<b>0</b>	<b>0</b>

\* These figures also include the following adjustment under Section 26A of the Public Finance Act 1989:

	Supp. Estimates (\$000)	Section 26A Transfer (\$000)	Final Appropriation (\$000)
	5,403	67	5,470





## OUTPUT 9.1 Policy Advice and Development Services

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
Advice provided according to a work programme agreed with the Minister of Corrections:	100%	100%	100%	0%
<b>Quality</b>				
The Minister of Corrections will expect advice to be delivered according to quality standards as outlined below:	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 purchased will be delivered within the specific reporting deadlines agreed with the Minister of Corrections:	100%	100%	100%	0%
<b>Comment</b>				
All the above targets were met; however, the actual volume of work greatly exceeded expectations due to new major projects such as Effective Interventions and the Prisoner Employment Strategy.				

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of responses to be prepared to Ministerial correspondence is estimated to be:	481	432	600	(168)
The number of responses to Parliamentary questions is estimated to be:	450	527	700	(173)
<b>Quality</b>				
The percentage of replies returned for redrafting not to exceed:	15%	12%	10%	2%
All responses signed out by either a general manager or, in his or her absence, an appropriate manager to be:	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:	67%	54%	90%	36%
The percentage of responses to Parliamentary questions completed within the timeframes set by the Minister's office to be no less than:	84%	52%	100%	48%

#### Comment

The volume of Ministerial correspondence was below forecast for the year, however a purely quantitative assessment does not properly reflect the time and resources required to respond to increasingly complex Ministerial correspondence, in particular Official Information Act requests.

The volume of Parliamentary Questions was also slightly below forecast, due to the cessation of Parliamentary Questions during the election period.

While the percentage of items returned for re-write, and the time taken to prepare responses to Ministerial correspondence and Parliamentary Questions was below target, most deadlines were missed by only a short period. Re-writes, due to complexity of the requests responded to, lead to lateness, and closer monitoring of the reasons for re-writes continues.

The Department is looking at ways to improve its handling of all correspondence, including Ministerial correspondence and Parliamentary Questions.



### OUTPUT 9.3 Provision of Psychological and Other Research

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

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quality</b>				
The percentage of research and evaluation delivered to the agreed project milestones:	88%	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>				

#### Comment

The full year results were in line with expectations.

## OUTPUT CLASS 10 SERVICE PURCHASE AND MONITORING

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

### OUTPUT CLASS STATEMENT: SERVICE PURCHASE AND MONITORING

For the Year Ended 30 June 2006

30/06/05 Actual (\$000)		30/06/06 Actual (\$000)	Main Estimates (\$000)	Supp. Estimates* (\$000)
<b>REVENUE</b>				
1,529	Crown	1,589	1,476	1,629
0	Other	0	0	0
<b>1,529</b>	<b>Total Revenue</b>	<b>1,589</b>	<b>1,476</b>	<b>1,629</b>
<b>1,449</b>	<b>Total Expenses</b>	<b>1,626</b>	<b>1,476</b>	<b>1,629</b>
<b>80</b>	<b>Net Surplus</b>	<b>(37)</b>	<b>0</b>	<b>0</b>

\* These figures also include the following adjustment under Section 26A of the Public Finance Act 1989:

	Supp. Estimates (\$000)	Section 26A Transfer (\$000)	Final Appropriation (\$000)
	1,589	40	1,629



## OUTPUT 10.1 Purchase and Monitoring of Service Delivery

This output involves the development, management and monitoring of:

- Internal Purchase Agreements with the Department's five internal providers of corrections services (Public Prisons Service, Community Probation Service, Psychological Service, Intervention Services and Corrections Inmate Employment).
- Services purchased from external providers, in particular with NZPARS.
- Interagency 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, Housing New Zealand Corporation and Career Services. Service delivery is monitored in terms of quantity and quality, and remedial action is taken if service delivery is unsatisfactory.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>INTERAGENCY AGREEMENTS</b>				
<b>Quantity</b>				
The number of interagency agreements managed:	13	13	12	1
<b>Quality</b>				
The percentage of interagency agreements managed in accordance with the review and reporting provisions to be no less than:	100%	100%	100%	0%
<b>Timeliness</b>				
The percentage of interagency agreements that are renegotiated and/or reviewed by the date specified to be no less than:	100%	100%	100%	0%
<b>Comment</b>				
In addition to the interagency agreements listed above, memoranda of understandings were signed with the Office of the Ombudsmen and the Department of Labour in late 2004/05.				
The number of interagency agreements in place at 30 June 2006 was one above forecast. It was hoped to subsume the agreement with Child, Youth and Family into the agreement with the Ministry of Social Development prior to 1 July 2006, but this merger was not achieved by that date.				

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>INTERNAL PURCHASE AGREEMENTS AND EXTERNAL CONTRACTORS</b>				
<b>Quantity</b>				
The number of Internal Purchase Agreements with the Department's internal providers of corrections services:	5	0	5	(5)
The number of contracts for services with external providers negotiated and managed by the Department's Corporate Management Group:	3	1	1	0
<b>Quality</b>				
The percentage of Internal Purchase Agreements and contracts for services with external providers that meet the following standards to be no less than:	100%	0%	100%	(100%)
<ul style="list-style-type: none"> <li>• services are clearly described</li> <li>• performance measures and standards are specified</li> <li>• price and payment regime (including incentives as appropriate)</li> <li>• format and dates of reporting requirements are specified.</li> </ul>				
The percentage of Internal Purchase Agreements and contracts for services with external providers that are regularly reviewed and reported on in terms of the following criteria to be 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>				
<b>Comment</b>				
The Department discontinued the practice of Internal Purchase Agreements, as their provisions are adequately addressed through the Department's Statement of Intent and Performance Management System.				
The reduction in contracts for services with external providers negotiated and managed by the Corporate Management Group reflects the fact that the Public Prisons Service now manages the Arts Access Aotearoa Limited and the Books in Prison Trust contracts.				



## OUTPUT 10.1 Purchase and Monitoring of Service Delivery (continued)

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>COMMUNITY FUNDING CONTRACTS</b>				
<b>Quantity</b>				
The number of community funding contracts negotiated with external providers:	99	81	110	(29)
<b>Quality</b>				
The percentage of community funding contracts with a value of \$20,000 (or over) that have performance measures and standards to the following criteria to be no less than:	100%	100%	100%	0%
<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:	100%	57%	95%	(43%)

**Comment**

The total number of community programme funding contracts negotiated was below forecast for the year. The forecast was based on the actual numbers of contracts negotiated of 140 in 2002/03 and 95 in 2003/04. Community programme funding contracts are negotiated as required by regional and area managers in order to meet the demand for programme places for offenders to address issues such as domestic violence, alcohol or drug use and sex offending.

Of the 81 contracts negotiated during the year, 19 had a value of \$20,000 and over. All of these contracts conformed to the performance measures and were monitored to ensure compliance. Eleven (57%) of these 19 contracts were in place by the agreed date of 1 July, with slight delays to the signing of the remaining eight contracts resulting from the need for detailed negotiation of specific provisions in the contracts. A national contracting project is underway to improve performance by addressing issues such as staff training on performance monitoring, contract length and terms and conditions, and recording/reporting processes.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>CONTRACTS WITH COMMUNITY RESIDENTIAL CENTRES</b>				
<b>Quantity</b>				
The number of contracts between the Probation and Offender Services and community residential centres:	3	3	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%
<ul style="list-style-type: none"> <li>• services are clearly described</li> <li>• performance measures and standards are specified</li> <li>• price and payment regime is specified (including incentives as appropriate)</li> <li>• format and dates of reporting requirements are specified.</li> </ul>				
The percentage of contracts for services with community residential centres that are regularly reviewed and reported on in terms of the following criteria to be 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>				
<b>Comment</b>				
Standardised contract documentation, which includes performance standards, was in place for all three 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 Assurance Board and is independent of the services that it inspects.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
The number of inspections in the inspectorate work programme as approved by the Assurance Board				
• routine visits:	96	97	100	(3)
• special investigations:	12	15	20	(5)
<b>Quality</b>				
The percentage of inspections that are carried out to the following criteria to be no less than:				
• to a quality that satisfies the Department's Assurance Board	100%	100%	100%	0%
• 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:				
	98%	89%	100%	(11%)
All special reports will be completed within the time period agreed in the terms of reference for the investigation:				
	98%	98%	100%	(2%)
<b>Comment</b>				
This was a busy year for the Inspectorate, with an unanticipated rise in complaint numbers during the last quarter and a record number of formal monitoring assignments undertaken.				

The requirement to prioritise completion of investigations and monitoring assignments, combined with the increased volume of complaints resulted in three routine visits being cancelled, and several not meeting the agreed timelines for completion.

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 delegations affecting offender management.

Performance Measure	2004/05	Performance Standard 2005/06		
	Actual	Actual	Forecast	Variance
<b>Quantity</b>				
Number of national systems maintained:	new measure	17	17	0
Number of service descriptions maintained:	new measure	47	47	0
Number of applications for inclusion on the Victim Notification Register:	new measure	523	600	(77)
Number of personal records established for prisoners:	new measure	4,226	n/a <sup>43</sup>	4,226
Number of decisions on offender management made under specified statutory delegations:	new measure	1,456	1,000	456
<b>Quality</b>				
Percentage of national systems and service descriptions that comply with legislation:	new measure	100%	100%	0%
Number of justified complaints by victims:	new measure	0	n/a <sup>44</sup>	0
Percentage of offender records established in accordance with the agreed procedures:	new measure	100%	100%	0%
Percentage of offender management decisions made that are not overturned on review:	new measure	100%	97%	3%
<b>Timeliness</b>				
Percentage of national systems and service descriptions that are reviewed as scheduled:	new measure	100%	100%	0%
Percentage of applications for inclusion on the Victim Notification Register processed within 10 working days of being received:	new measure	100%	100%	0%
Percentage of offender records established within 10 working days of reception to prison:	new measure	100%	100%	0%
Percentage of offender management decisions made within specified timeframes:	new measure	100%	100%	0%

#### Comment

The number of offender management decisions made under specified statutory delegations is demand-driven and was higher than expected. This may be partially attributable to the higher than expected number of prisoners being managed within the prison system (i.e. more prisoners generating more applications) as well as an unanticipated increase in the demand for such decisions from prisoners and prisons.

The percentage of offender management decisions made that are not overturned on review was in line with expectations for the year.

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>43</sup> No forecast was included in the 2005/06 Statement of Intent.

<sup>44</sup> No forecast was included in the 2005/06 Statement of Intent.





## Part 5

Appendices





# 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 2005 to 30 June 2006 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 2005/06 included:

- the construction and opening of new corrections facilities
- the transfer of existing facilities out of a community
- changes to existing operations and facilities.

Through staff and community networks, public meetings, hui, and the media; opportunities were made available for community involvement to identify issues that could both positively and negatively impact on a community, provide opportunities for positive contributions by a community, to pass on information regarding departmental and prison activities; and to ensure that the Department complied with legislative requirements.

## **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.*

The Prison Inspectorate was first established in 1954 under the provisions of the Penal Institutions Act of that year. The legislation established a dedicated complaints resolution, investigation and general assurance function, reporting directly to the Chief Executive independently of prison line management. The level of statutory protection afforded to the Inspectors' role and reporting level was in direct recognition of the high level of risk attached to prison management and the need to provide a level of legislative protection for the Inspector's functions. That arrangement was retained upon the devolution of sentence management functions to the new Department of Corrections in 1995 and has also been reflected in the provisions of the Corrections Act 2004. The major change for the Inspectorate arising out of the 2004 legislation is

the formal extension of the Inspectors' role to cover community-based sentences in addition to the traditional prison focus.

This is the second formal report prepared by the Senior Inspector since the Corrections Act 2004 came into force. As anticipated, community-based sentences have generated a very low volume of complaints to the Inspectors, with only six being received in the year. None of these complaints was 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 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 would be the case were they serving a sentence of imprisonment. This report therefore deals primarily with prison-related matters.

Despite a slight drop in the volume of complaints to the Inspectorate towards the end of 2004/05, the year 2005/06 has been another record year in terms of prisoner contacts with and complaints to the Inspectorate. Prisoners sought 5,754 contacts with the Inspectors during 2005/06. This figure includes some 600 interviews conducted during routine prison visits, but the bulk of prisoner contacts are now through the Inspectors' direct 0800 telephone service for prisoners

and their families. Not all prisoner contacts generate complaints. Many prisoners are simply seeking advice, information, or assurance that they have been managed appropriately. However, 3,589 formal complaints were dealt with by the Inspectors during the year. This figure is the highest since these statistics were first collected in 1997. This is due in large measure to the increase in the prison population over that time, although it is noted that while complaint numbers have doubled since 1 July 2000, the prison population has risen by only a third in that time. The increase in complaint volume is therefore far in excess of the increase in prison population. As noted in the 2004/05 report, high prisoner levels and the resultant increase in prisoner movements of themselves generate tensions among staff, prisoners and their families alike. That inevitably results in a higher incidence of complaint.

The definition of what constitutes a justified complaint was changed at the start of the 2005/06 year. This has had the effect of lowering the threshold of what constitutes a justified complaint. A complaint is now defined as justified if it requires the intervention of an Inspector in order to achieve the appropriate outcome for the prisoner concerned. Despite the high volume of complaints to the Inspectors, the incidence of justified complaints remains relatively low. There were 114 justified complaints to the Inspector during the year. This represents 3.2% of the total number of complaints received. Given the change in definition, comparison of the number of justified complaints with the numbers in previous years is not possible.

A number of areas have been drawn to management's attention during the year, arising out of the Inspectors' complaints activity. The most significant of these are as follows:

- There is a continuing high incidence of prison property complaints. Property complaints also generated the second highest incidence of justified complaints at 5.6%. As noted in my previous report, the

property management systems themselves appear adequate provided they are properly implemented. Many property complaints could be avoided by greater care in itemising property, and ensuring that prisoners have adequate time to check and sign for property during transfer movements. It is my view, however, that as long as the present range and volume of personal property is permitted in our prisons, errors in property handling are likely to remain a concern. This is particularly so while prison population pressure necessitates the current high level of prisoner movements. Attractive items of personal property within a prison also have a significant potential for victimisation and peer pressure among prisoners. It may be timely for the Department to consider carrying out a comprehensive review of prisoner property and clothing with a view to reducing handling errors and compensation costs, and enhancing prisoner safety.

- Of equal concern, however, is the category of staff conduct and attitude. The Inspectors received 214 complaints in this category during 2005/06. 4.5% of complaints in this category were found to be justified during 2005/06. (There are no comparable figures for 2004/05 because of the revised definition for justified complaints as from 1 July 2005). 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. 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.

The Inspectorate's 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. There were four areas of focus review undertaken during the year. These were:

- the use of force
- the system for identifying and managing prisoners at risk to themselves
- the prisons' internal complaints system
- the arrangements prisons have in place to ensure regular specialist sanitation and hygiene inspections are carried out and any issues arising are addressed.

The results of these reviews were as follows:

- A reasonable 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. In particular there was good evidence that prisoners were given every reasonable opportunity to comply with a lawful order before force was used.
- A reasonable level of assurance can be given that the required system for managing prisoner complaints at prison site level is in place at each prison. Some consistent shortcomings were noted, however, in its implementation. These included:
  - Interview/Complaint forms were not readily available to prisoners at some sites.
  - Some sites were using unofficial 'forms' instead of the required Interview/Complaint form.
  - A 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 were not always met.
  - A number of complaints,

while properly resolved, were incorrectly classified as 'interviews'.

- 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. However, despite some improvement in this aspect over the year, there is still a need for all available information to be included when carrying out prisoner risk assessments. This applies to file information, pre-sentence information, and information from other sources within the prison such as medical.

In addition to their role in complaints resolution, the Inspectors have undertaken 15 full investigations of significant prison incidents, including 13 deaths in custody. The Inspectors have also monitored the conduct and outcome 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 2005/06 were in relation to:

- 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.

It is disappointing to note that some of these areas were also noted in my previous report.

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, and the provision of adequate management resources to ensure that the required standards are maintained.

The Department of Corrections has seen some sweeping changes in its strategic direction, its structure and its management systems since its beginnings in 1995. All of this has been necessary, but it has resulted in ten years of constant change. Along with these internal changes, the Department has also reflected the changes that have occurred in society at large. Not the least of these has been an unprecedented level of external scrutiny. While these changes have been necessary, they have inevitably distracted attention from the day-to-day basic prison operation. I believe there is a need for the Department to re-focus on these basics so as to ensure a strict adherence to policies and sound operating practice at prison unit level. In order to achieve that, it will be necessary to provide sufficient management resources to adequately monitor what is going on in the prison units on a day-to-day basis.

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 positive response at all levels to the findings and recommendations that have been made, and the genuine desire of everyone involved to get it right.

Prisons are difficult and often dangerous places. Their very dynamics will inevitably generate incidents and the unexpected. That makes them an easy target for criticism and generalisation which in turn can be extremely demoralising and destructive for staff and management who are constantly under pressure and trying to do their best. I believe, however, that despite the certainty that amid the thousands of contacts, transactions, movements and interactions that take place in every prison on every day of every year incidents will happen.

The Department can be proud of the general quality of its services, and the level of dedication shown by the majority of staff and managers.

#### **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 offence 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 prisoner's telephone calls, and collect and analyse data that contributes to increased Crime Prevention Information Capability (CPIC).

The Terms of Reference for the CPIC project has been developed and the deliverables will include:

- developing a model of CPIC staffing
- purchasing and developing a secure database
- integrating a secure database with IOMS
- purchasing and building a telephone monitoring system
- developing a training plan for all staff.

#### **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 in Part 2 (pp 19-52) and Part 4 (pp 73-155) of this Annual Report. (Outcome Achievements and Output 5.6)

#### **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. Chubb's performance over the 2005/06 financial year was in line with contract expectations. The General Manager of Chubb NZ 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.*

The Auckland Central Remand Prison was the first privately-run prison in New Zealand and was initially managed by

Australasian Correctional Management Limited (ACM), which later became GEO Group Australia Pty Limited. ACM/GEO negotiated a five year contract with the Department of Corrections to manage the prison. With the passing of the Corrections Act 2004, management of the Auckland Central Remand Prison reverted back to the Department on 12 July 2005.

GEO performance over the 2004/05 financial year was in line with contract expectations. GEO provided the Department with monthly and quarterly reports which outlined performance against set criteria for incidents, complaints, searches, disciplinary proceedings, drug testing, and programme delivery.

# 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 during the year to which the Annual Report relates.

## 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 subject to electronic monitoring condition at any one time

Eight offenders were subject to an electronic monitoring condition during 2005/06.

Three 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 an electronic monitoring condition and the average duration of the condition

The average number of offenders subject to an electronic monitoring condition during 2005/06 was three offenders. The average duration of an

electronic monitoring condition was nine months.

### The percentage of offenders who, while subject to an electronic monitoring condition 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

Two of the eight offenders subject to electronic monitoring during 2005/06 were recalled due to other offences (25%).

### 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 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 place 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.

## REDUCING INEQUALITIES – 2005/06

The Government's key goal of Reducing Inequalities is defined as: "reducing the inequalities that currently divide our society and offer a good future for all by better coordination of strategies across sectors and by supporting and strengthening the capacity of Māori and Pacific communities. It aims to ensure that all groups in society are able to participate fully and enjoy the benefits of improved production".

This key goal reflects fundamental principles relating to social justice, a desire to reduce disadvantage and promote equality of opportunity in order to achieve a similar distribution of outcomes between groups, and a more equitable distribution of overall outcomes within society. This entails an integrated approach to managing the reducing inequalities policy to ensure that the goals and principles of reducing inequalities are a core part of key departmental activities and initiatives.

Addressing re-offending by Māori and Pacific offenders is a high priority for the Department. As Māori and Pacific peoples continue to be disproportionately represented in the criminal justice system, the Department is committed to providing quality programmes and services that are effective for Māori and Pacific peoples from initial assessment through to intervention and release.

### External Drivers

The Department's Recidivism Index, supported by the Offender Management Process, indicates that Māori offenders are disproportionately represented in the target group of high-risk re-offending.

Māori are over-represented in the corrections system and particularly in the high-risk category. Māori prisoners make up 49.9% of the total prison population while making up 14.5% of the general population. Of the Māori prison population, 23.8% are categorised as high-risk (with risk scores higher than 0.7) compared with the 19.1% for the non-Māori

prison population. Similarly recidivism rates for Māori are significantly higher compared with non-Māori as demonstrated in the following tables:

Within 2 years of release from prison sentence		
Ethnicity	Reimprisoned %	Reconvicted %
Māori	43.3	61.9
European	36.4	52.3

Within 2 years of starting a community-based sentence		
Ethnicity	Imprisoned %	Reconvicted %
Māori	14.6	45.9
European	10.3	36.9

FIGURE 26: REDUCING INEQUALITIES - EXTERNAL DRIVERS

The Department's response is encapsulated in its kaupapa statement: *Kotahi anō 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). To give effect to this vision, the Department has a *Māori Strategic Plan 2003–2008*, which outlines work in progress under three key themes of building partnerships with Māori, being effective for Māori and being responsive to Māori.

The Department is also committed to providing quality programmes and services that are effective for Pacific peoples. The recently approved *Pacific Strategy 2005–2008* expresses this desire in the guiding statement adopted by the Department: *My strength does not come from me alone but from many.*

#### Addressing Specific Needs

The Department has implemented new offender management processes that reflect best practice principles for reducing the risk of re-offending. This entails matching the needs of higher-risk offenders with interventions that contribute to effective and successful treatment and reintegration outcomes. Recent studies including the evaluation of the Te Piriti Special Treatment Unit, the Montgomery House Violence Prevention Programme, and the Department's own recidivism and treatment outcome data, confirm that a tikanga Māori approach to programme delivery promotes an environment that motivates prisoners to address their offending behaviours, support their reintegration activities and reduce their reoffending.

#### Department's Focus

The Department's focus is encapsulated within the following key themes of its *Strategic Business Plan 2003–2008*:

- Theme 1: Ensuring Effective Offender Management
- Theme 2: Improving Responsiveness to Māori

- Theme 3: Contributing to Reducing Re-Offending, and
- Theme 4: Enhancing Capability and Capacity.

All of the initiatives under Theme 2 and specific strategies under Themes 3 and 4 have been identified as contributing to reducing inequalities.

#### Theme 2: Improving Responsiveness to Māori

The Department works in partnership with Māori communities and government agencies to provide corrections services that contribute to community safety and reduce re-offending. The Department provides these services in a way that has regard to the Treaty of Waitangi.

The development of government policy on Crown–Māori Relationship Instruments (CMRI) and associated Treaty of Waitangi policy has informed ongoing development of iwi level partnership arrangements. The partnership that has been established with Ngati Rangī in respect of the Northland Region Corrections Facility continues to develop. Two contracts for the delivery of services to support the Department's initiatives in Northland are being progressed. The partnership with the Tuwharetoa Māori Trust Board has enabled the Department to progress new construction projects at Tongariro/Rangipo Prison. Cabinet approval of the Crown–Māori Relationships Instruments policy on 8 May 2006 has simplified the approvals process for new partnership agreements. Partnership agreements are currently being progressed with Poutini Ngai Tahu (West Coast South island), Te Runanga o Tupoho (Whanganui), Pukaki ki te Akitai (Auckland Region Women's Corrections Facility), Ngati Naho (Spring Hill Corrections Facility) and Te Runanga o Otakou (Otago Region Corrections Facility) are now able to be completed.

The Department has identified the importance of addressing the needs of Māori offenders effectively. The strategies and initiatives below assist in improving the effectiveness of the

Department's range of services.

#### The Māori Strategic Plan 2003–2008

The purpose of the Māori Strategic Plan 2003–2008 is to align the expectations of Māori communities with the Department to improve the Departments' outcomes for Māori. It outlines opportunities to build relationships and strengthen communications between the Department and Māori, and provides guidance to Services and identifies priorities that are most likely to be effective in reducing re-offending by Māori. It consolidates initiatives that the Department has developed over time and introduces new initiatives yet to be developed.

The Māori Strategic Plan 2003–2008 is implemented through the Department's annual business cycle. Decision-making at senior management level determines which initiatives from the plan will be implemented each year. These initiatives are included in the Department's Statements of Intent under outputs agreed with the Minister of Corrections. Implementation of the plan is included in performance agreements between the Chief Executive and General Managers and then translated into the Department's annual work programme.

#### Framework for Reducing Māori Offending (FReMO)

FReMO is an analytical tool designed to guide the development of policy, interventions and research and is intended to encourage departmental staff, providers and consultants to consider Māori issues to ensure that the Department contributes to reducing Māori offending. FReMO acknowledges that most initiatives that have had a focus or influence upon Māori have not factored in the Māori perspective, the enhancement of tikanga Māori, or a critical analysis of mainstream literature as being crucial to successful outcomes. Rather than assuming workers in the area will automatically consider these areas, FReMO provides a step-by-step process that highlights each of these key areas.

### *The Māori Initiatives Pathway*

The Department recognises that using Māori worldviews as a vehicle in which to promote positive changes in offenders can work, either on its own, or when used in combination with western psychology, and with appropriate support. Developed in 2004/05, the Māori Initiatives Pathway is a general reference tool that provides access to the Department's range of Māori assessments, interventions, policies, and support systems, for both offenders and staff. Available on the Department's local area network (Cornet), the Māori Initiatives Pathway shows where each initiative fits within the Department's Offender Management Process, and provides a hyperlink to access further information on each respective initiative.

### *Whānau Liaison Workers*

The Whānau Liaison Worker position focuses on assisting the well-being, rehabilitation and effective reintegration of prisoners in Māori Focus Units and at the Northland Region Corrections Facility, through liaison with community agencies, whānau, hapū and iwi. The role of the whānau Liaison Worker was developed in consultation with the Psychological Service in late 2004, after the pilot in 2003.

The Whānau Liaison Worker ensures that gains achieved by offenders while participating in programmes such as Māori Therapeutic Programmes are continually reinforced upon release. Consequently, the Whānau Liaison Worker plays a critical role in establishing links between a prisoner, their whānau, hapū, iwi, and the local Māori community to reinforce the positive changes achieved by an offender while in prison. Case Officers are responsible for referring offenders to the Whānau Liaison Worker service. The Whānau Liaison Worker works directly with an offender's whānau by putting in place strategies to resolve or manage identified reintegrative issues.

Whānau Liaison Workers were specialists employed by the Psychological Services until March

2006 at which time they were transferred to the Public Prisons Service. A total of 286 prisoners may be referred to the Whānau Liaison Worker per year.

### *Community Residential Centres*

Community Residential Centres (CRCs) provide a residential programme in a normalised and structured environment. The objective is to resettle offenders back into the community through offering rehabilitation programmes and reintegrative services that will reduce the likelihood of further offending. There are three centres currently in operation nationwide; Montgomery House in Hamilton, Te Ihi Tu in New Plymouth, and Salisbury Street in Christchurch. Te Ihi Tu (based in Taranaki) and Montgomery House (based in Waikato) offer a programme that incorporates tikanga Māori based concepts. CRCs are for high-risk offenders released from prison on parole, temporary release or ordered to serve a community-based sentence.

### *The Whakatinana Te Kaupapa Strategy*

The Whakatinana Te Kaupapa Strategy provides direction on how to improve the way the Department works with Māori providers. The Department of Corrections' Māori Strategic Plan 2003–2008 provides the priority areas for engaging with Māori providers. Those most relevant to Whakatinana Te Kaupapa are:

- integration of Māori world views in programmes and services and involving Māori in service delivery
- development of strong and meaningful partnerships with Māori communities
- building the responsiveness of the Department.

The objectives of the strategy are to improve the effectiveness of the Department's services to Māori and enhance Māori participation in the delivery of services. To date, there have been no reviews of the Whakatinana te Kaupapa Strategy as it is still too early to assess its effectiveness and its implementation.

A review of the strategy will be conducted in the 2006/07 financial year.

### *Tikanga Māori Programmes*

Tikanga Māori Programmes are motivational programmes that develop offenders' understanding of Māori values, beliefs and cultural practices and their socio-cultural environment. They are designed to develop offenders' understanding of their offending behaviour and its impact on themselves, their whānau, hapū, and iwi. Tikanga Māori Programmes motivate offenders to address their offending behaviours and develop pro-social goals for the future. In 2005/06, the Public Prisons Service delivered Tikanga Māori Programmes to 943 men and 48 women. The Probation and Offender Services delivered Tikanga Māori Programmes to 370 men and 49 women.

### *Māori Therapeutic Programmes*

Māori Therapeutic Programmes (MTPs) are 100-hour criminogenic programmes that integrate cognitive behavioural therapy (CBT) and tikanga Māori concepts to address the reasons for the prisoner's offending and facilitate changes in their offending behaviour. The core programme was developed by the Department, in consultation with a number of existing service providers. Selected and trained local, iwi-endorsed service providers are delivering the programme in each of the Department's five Māori Focus Units and at the Northland Region Corrections Facility. Each service provider has been encouraged to use local tikanga Māori, as appropriate, when delivering the programme.

### *Bicultural Therapy Model*

The Psychological Service provides specialist clinical assessments and treatment services to offenders. The Service also develops and delivers rehabilitative programmes for three special treatment units: two for male sex offenders who have offended against children, and one for violent offenders. The referral process includes Māori serving either a prison



or community-based sentence seeing a psychologist where together they discuss therapy goals and outcomes; and options available for Māori under the Bicultural Therapy Model (BTM). This can include working with a psychologist, working with a psychologist and a Māori service Provider, or working solely with a Māori service provider. BTM is available nationwide and works in cooperation with iwi and local Māori service providers who provided a total of 3,933 hours of consultation in 2005/06.

#### ***Te Piriti Special Treatment Programme***

Te Piriti is a special treatment unit aimed at providing a treatment programme for male sex offenders in order to reduce sexual re-offending against children. The rehabilitative programme offered integrates cognitive behavioural therapy (CBT) within a tikanga Māori framework and has proven to be effective in reducing sexual reconviction for Māori and non-Māori men. Key findings from an evaluation of the programme found that:

- the Te Piriti programme was effective in reducing sexual reconviction for Māori and non-Māori men. The Te Piriti programme had a 5.47% recidivism rate compared to an untreated group who had a sexual recidivism rate of 21%
- Māori men attending the Te Piriti treatment programme revealed significant change pre- and post-therapy in a number of key cultural variables, including knowledge of Whakapapa, Mate Māori (sickness)/ Makutu (curse), Māori traditional values and beliefs, knowledge of Marae protocols and cultural skills
- the use of tikanga in combination with CBT appears to be an effective treatment programme for Māori and non-Māori offenders convicted of sexual offences against children.

The total number of hours available for prisoners to attend a programme at Te Piriti is 12,500.

#### ***Specialist Māori Cultural Assessment***

A Specialist Māori Cultural Assessment (SMCA) is intended to address responsivity and motivational barriers of high-risk Māori offenders. The interview based assessment is undertaken by a Māori assessor. Referrals are made to the assessor by a Probation and Offender Services or Public Prisons Service contact person. SMCA enhances generic assessment processes by recommending appropriate cultural interventions. An assessment report is then sent to the appropriate Probation Officer or Sentence Planner. SMCAs are currently available within the Probation and Offender Services and Public Prisons Service in the Auckland and Waikato regions.

#### ***Māori Focus Units***

Māori Focus Units (MFUs) are intended as rehabilitative interventions, aimed at reducing an offender's risk of re-offending. MFUs function as therapeutic environments where all participants (staff and prisoners) work together to promote learning and application of the principles of tikanga to thoughts, beliefs and actions, and seek to positively influence each other towards the goal of a responsible and pro-social life in the community. There are five MFUs based within the Public Prisons Service. They are located within Waikeria, Tongariro/Rangipō, Rimutaka, Wanganui, and Hawke's Bay Prisons.

#### ***Kaiwhakamana***

The Kaiwhakamana Visitor Policy is a voluntary support role giving Kaumātua (elders) greater access to Māori prisoners. Kaumātua have access to prisons so they can support Māori prisoners. This may include:

- advising and assisting prisoners with whānau relationships
- helping prisoners return to the community with the support of their iwi/hapū/whānau, and
- provide suggestions and advice to the Minister and the Department of Corrections on the provision of services to Māori.

Kaiwhakamana are available nationwide within Public Prisons Service and have access to any prison in the country during normal visiting hours. They may also visit at any reasonable time outside these hours by arrangement with prison management, for example during tangihanga (bereavements).

#### ***Kia Mau Staff Training***

Kia Mau is a nationwide, three stage cultural awareness training programme intended to increase the knowledge, understanding and skills of Probation and Offender Services staff to enable them to work more effectively with Māori offenders. Recently implemented, Kia Mau training is founded on the belief that understanding departmental responsiveness strategies, tikanga Māori practices and Te Reo Māori, will lead to improved and enhanced working relationships with Māori offenders, their whānau and local communities. Kia Mau is delivered by internal trainers and will be delivered in the Probation and Offender Services' regions or areas, depending on the geographical spread of participants.

#### ***Cultural Supervision***

Cultural Supervision is a forum for Māori and non-Māori Corrections staff to reflect on and enhance their interactions with Māori offenders assisted by the cultural knowledge and expertise of a Cultural Supervisor. Cultural Supervision is delivered once a month in a group environment. The Supervisor facilitates discussions about Māori cultural issues, and promotes the sharing of knowledge, experiences, and ideas in the group, as well as providing expert cultural knowledge to the group. Individual discussions are also available with the Supervisor. Cultural Supervision is currently available in the Canterbury and Waikato regions. Staff eligible for Cultural Supervision includes Probation Officers, Sentence Planners, and Psychologists.

#### ***Chief Executive's Māori Advisory Group***

The Chief Executive's Māori Advisory Group provides direct advice and

feedback to the Chief Executive on strategic, policy and operational issues that affect Māori communities. Initiatives consulted on in the 2005/06 year included:

- Visit to Māori Focus Unit at Hawke's Bay Prison
- Māori name for the Department
- Māori cultural practices in the Department
- Māori Therapeutic Programmes.

#### **Te Reo Strategy**

The Te Reo Strategy is a four year strategy to support and encourage staff in developing their Māori language skills to enhance the Department's effectiveness when working with Māori – iwi, hapū, and whānau, in community groups, service providers, other agencies, and with Māori offenders. The strategy contains a department-wide action plan to ensure an appropriate environment exists to support staff in the development of Te Reo Māori. Initiatives completed in 2005/06 included:

- Confirmation of the Department's new Māori name Ara Poutama Aotearoa (Positive Pathways New Zealand). The formal description of the name is; *'though the journey has many challenges, with timely support and guidance at crucial times, attaining the goal of an offence free lifestyle can become a reality'*.
- Distribution of the Desktop Māori Language Word Cube that aids frontline staff with useful Māori vocabulary and phrases.
- Development of te reo resources on the Department's intranet, Corernet
- Māori Language Week celebrated through the promotion of the Māori language and culture via the Department's Corernet.

#### **Theme 3: Contributing to Reducing Re-Offending**

One of the outcomes for the Department, and therefore a theme area, is to contribute towards an overall reduction in the level of re-offending. The following range of strategies and initiatives work to address the risks of

re-offending and are designed to assist offenders to address their offending behaviours and return successfully to the community.

#### **The Pacific Strategy 2005–2008**

The recently approved *Pacific Strategy 2005–2008* complements the Department's *Strategic Business Plan 2003–2008*. It is a stand-alone document designed to focus and direct its activities and efforts to areas most likely to produce positive outcomes for Pacific peoples in New Zealand. A new guiding statement, policy statement, and key themes have been developed to enable the Department to target resources effectively across a mix of current and new initiatives over the next three years.

#### **The Saili Matagi Pacific Violence Prevention Programme**

The purpose of the Saili Matagi programme is to reduce re-offending by adult Pacific male offenders that are currently serving a sentence for offences of a violent and serious nature. The objectives of Saili Matagi are identified as:

- to assist high-risk Pacific offenders to identify and change the beliefs, attitudes and behaviours that have resulted in violent offending
- to enhance Pacific offenders' responsiveness to other programmes targeting criminal behaviour (criminogenic programmes)
- to ultimately reduce intergenerational violence and the likelihood of re-offending.

The programme incorporates Western treatment components with Pacific cultural values, beliefs, and concepts that are familiar to Pacific offenders. An evaluation of Saili Matagi found that programme participants benefited from the content and delivery of the programme. Anecdotal evidence also found that some prison staff identified a positive 'immediate behavioural change' in participants during and after the programme. Implementation of the Saili Matagi programme was sound, as good working relationships

were established between facilitators and prison staff. In 2005 approval was given for the programme to be transferred to the Pacific Focus Unit that is being established at the Spring Hill Corrections Facility.

#### **Framework for Evaluation of Pacific Interventions**

The recent development of a Pacific evaluation framework is intended to ensure, as new Pacific services are designed and implemented, that robust data is available to guide the evolving improvement of those services. The framework consists of the following four phases:

- evaluation of the need for the programme, its design, and its fit with organisational priorities
- evaluation of programme processes and implementation
- evaluation of the programme's impact and outcomes
- evaluation of the programme's costs and efficiency.

The framework is intended to ensure that funded Pacific-focused services will, from the first day of operation, generate data that promotes both programme integrity; that is, services delivered are closely aligned to service design/intentions, and ongoing programme improvement.

#### **Fautua Pasefika**

The Fautua Pasefika Policy, an initiative of the Department's Pacific Strategy, enables Pacific community leaders' greater and easier access to prisons and Pacific prisoners. In addition, these leaders are able to advocate on behalf of the community to the Department and Minister of Corrections on any issues affecting Pacific prisoners. Fautua Pasefika support and advise on a range of issues including:

- addressing the cultural or other special needs of a prisoner
- providing spiritual or religious guidance or instruction to a prisoner
- advocating on behalf of Pacific communities to the Minister and Department staff on best practice

and cultural issues that will attend to the well being of prisoners.

Fautua Pasefika as Specified Visitors to Prisons has been implemented and is now part of the Public Prisons Service's policy and procedures.

#### **Theme 4: Enhancing Capability and Capacity**

To achieve the first two themes, the Department requires increased capability and capacity. Initiatives under this theme focus on ensuring the Department has in place the right resources, people, support systems, and infrastructure.

##### *The Chief Executive's Pacific Advisory Group*

This Group provides direct advice and feedback to the Chief Executive on strategic, policy, and operational issues that affect Pacific communities. Issues consulted on in the 2005/06 year included:

- the proposed Pacific Focus Unit at the Spring Hill Corrections Facility, including aiga/fanau Pacific values and beliefs that provide a cultural framework that motivates prisoners to address their offending behaviours and support their reintegration activities
- ongoing operations of Fautua Pasefika
- establishment of Pacific Community Liaison Officer positions
- liaison with Pacific Peoples Regional Corrections Liaison Committee (Auckland)
- development of a Pacific Advisory Group for the Spring Hill Corrections Facility.

##### *Pacific Community Advisory Groups*

The Department continues to liaise with the Pacific Peoples Regional Corrections Liaison Committee and Waikato Regional Consultative Committee as the main avenue for Pacific communities to contribute to the development of the new regional facilities in South Auckland and the Waikato. Comprised of representatives from throughout the Pacific community, the group provided advice on in

2005/06 on a range of issues, including:

- the design of the Pacific Focus Unit proposed at Spring Hill, including aiga/fanau Pacific values and beliefs, that provide a cultural framework that motivates prisoners to address their offending behaviours and support their reintegration activities
- consultation processes with Pacific communities in Auckland and Waikato
- commissioning issues included operational and management issues relating to the new regional facilities
- development of a Pacific Advisory Group for Spring Hill Corrections Facility.

##### *Pacific Community Liaison Officers*

During the 2005/06 financial year, the Department recruited two Pacific Community Liaison Officers within the Public Prisons Service for the Auckland and Waikato regions respectively. This initiative has been established to support community participation in addressing Pacific re-offending by:

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

#### **State Service Commission-Led Ministerial Review: Race versus Needs**

Race relations received increased attention over the past year. The Department came under intense scrutiny in 2004 for the amounts paid to Māori individuals and organisations during the process of consultation over the establishment of new regional corrections facilities in Northland, South Auckland and Waikato.

The degree to which the Department's policies are unduly advantaging or disadvantaging Māori remains a contentious issue. The Government

instituted a range of responses including a comprehensive review of government policy. The aim of the review was to ensure that, where ethnicity was a factor in the development of policy and the delivery of services, those policy and services had a sound basis in need.

The Department's policies and programmes subject to the review were:

- Māori culture-related needs (MaCRNs)
- Specialist Māori Cultural Assessment
- Māori Therapeutic Programmes
- Saili Matagi
- Māori Focus Units
- Tikanga Māori Programmes
- Whānau Involvement Plan
- Te Ihi Tu.

The Department co-operated fully with the review process and reviewed a range of departmental policies and services where ethnicity was a factor. Following the State Service Commission-led review, Cabinet noted and agreed, inter alia, that the tikanga Māori/cultural approach undertaken by the Department in these programmes was appropriate and that, upon evaluation, the Department considers using the Whānau Involvement Plan as a blueprint to supporting greater involvement of non-Māori offender's families throughout the corrections system.

The Department has a well-developed rationale for the development and delivery of services to offenders based on risk, need and responsiveness. Māori offenders (and to a lesser extent Pacific peoples offenders) are a demonstrably high-need population for the Department, based on their over-representation in the criminal justice system. The Department's ethnically-oriented programmes have been carefully tailored to meet the needs of Māori and Pacific peoples while still working within the Department's overall approach to offender management.



In response to the review, the Department began formal evaluations of the following programmes:

- Māori culture-related needs (MaCRNs)
- Te Ihi Tu Community Residential Centre
- Specialist Māori Cultural Assessment
- Tikanga Māori Programmes.

### **2005/06 Expenditure on Reducing Inequalities**

For the year ended 30 June 2006, the Department delivered a range of outputs to the Government for the management and rehabilitation of offenders at an actual operating cost of \$658.7 million. Of this amount, \$22.7 million was specifically targeted to assist with reducing re-offending by Māori. Details were as follows:

- Māori Focus Units costing \$18.9 million, of which \$18.0 million was for custody and \$0.9 million for programmes
- Bicultural therapy model costing \$0.3 million
- Māori policy work costing \$1.0 million
- Tikanga Māori programmes costing \$2.0 million
- Whānau Liaison Service costing \$0.5 million
- other Māori programmes costing \$0.03 million.

The outputs delivered to the Government that were not new initiatives specifically targeted at reducing re-offending by Māori cost \$636 million. Of this amount, \$310.5 million was attributable to Māori, who comprise 48.8 percent of the offender population. A further \$58.5 million was attributable to Pacific peoples, because they comprise 9.2 percent of the offender population. Of the Māori offender population, approximately 94 percent are male.

All of the above costs are calculated on a GST-exclusive 'fully absorbed' basis in that they include both direct and overhead costs in accordance with the Public Finance Act 1989, as amended by the Public Finance Amendment Act 2004.

The 2005/06 financial year figures are not directly comparable with the 2004/05 financial year figures as the latter figures were calculated on a GST-inclusive basis in accordance with the previous provisions of the Public Finance Act 1989.