



DEPARTMENT OF
CORRECTIONS
ARA POUTAMA AOTEAROA

E.61 SOI (09)

Statement of Intent

1 July 2009 - 30 June 2010

The Department's vision is:

Improving public safety by ensuring sentence compliance and reducing re-offending, through capable staff and effective partnerships.

To improve public safety, we will:

Ensure Sentence Compliance.

Reduce Re-Offending.

and to achieve those priorities we will:

Enhance Capability.

Strengthen Partnerships.

To succeed overall we must succeed for Māori offenders.

The Department's kaupapa is:

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

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

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Foreword from the Minister of Corrections

Few organisations fulfil as important a role in our society as the Department of Corrections. By securely managing prisoners, the Department keeps the community safe from those who might present a threat. In managing the requirements of the sentences and orders of the courts, the Department contributes to the smooth functioning of the justice system and maintenance of a fair and just society.

The Government's priorities for the 2009/10 year reflect its commitment to a Department that is well-trained, well resourced and has a complete commitment to the safety of the public and the rehabilitation of prisoners.

The Government has identified three key strategic priorities, namely ensuring sentence compliance and holding offenders to account; managing the impact of an increasing offender population while ensuring the safety and wellbeing of staff, and an emphasis on measures that reduce re-offending.

Alongside these priorities, the Government will be working with the Department to remove limitations on the use of private-public partnerships in the management of prisons, double the number of prisoners receiving drug and alcohol treatment and boosting the number of prisoners learning industry-based skills.

In addition, I have emphasised the urgent need to improve compliance with processes within Community Probation and Psychological Services following concerns raised by the recent report by the Auditor-General into the management of parole.

Corrections staff do a very good job managing some of society's most dangerous and difficult people. As Minister of Corrections, I am committed to working with front-line staff to identify innovative, practical and efficient ways of helping them to be safer and more effective in their roles.

Over the longer term, it is crucial that the growth in the offender population is addressed. New thinking and smarter action needs to occur to introduce practical and effective means of rehabilitating offenders.

While the majority of Māori are succeeding in society, it is a fact that Māori are over-represented in the offender population – approximately half of offenders are Māori. I agree with the Department's strategic statement that "to succeed overall we must succeed for Māori offenders".

I am very pleased to be working alongside Hon Dr Pita Sharples, the Associate Minister of Corrections, to look at new ways to rehabilitate Māori offenders to reduce re-offending. Hon Dr Sharples has responsibility for working with the Department to deliver on the Department's Māori Strategic Plan and he will work with Māori to identify practical and more effective ways to rehabilitate Māori offenders.

The corrections system in New Zealand has an opportunity to be world class. That will mean developing a culture of excellence, accountability and professionalism at all levels of the Department.

The challenges facing the Department in years to come may be very different from today. Its future strategy must anticipate these changes, and the organisational culture must be agile enough to respond to emerging trends.

The Department has an enormous challenge ahead, but I am confident that it will succeed and make New Zealand a better, safer place to live.

I am satisfied that the information on future operating intentions provided by the Department of Corrections in this Statement of Intent and the Information Supporting the Estimates is in accordance with sections 38, 40 and 41 of the Public Finance Act 1989 and is consistent with the policies and performance expectations of the Government.



Hon Judith Collins
Minister of Corrections

Introduction from the Chief Executive

This year's Statement of Intent should be seen as a key element in the Department's ongoing process of change and improvement. This process will see the Department in the best possible position moving forward to play our part in improving public safety and in meeting the priorities of the Government over the next year and beyond.

A worsening international economic environment which is having a clear impact on New Zealand means it has never been more important for us to clearly demonstrate that our actions make a real and sustainable contribution to meeting our strategic objective of improving public safety.

In recent times there have been serious concerns expressed about the Department's effectiveness in some areas. The Department will need to work hard to restore public and the Government's trust in its ability to deliver services in a way which make a positive difference. And to do so in an efficient and effective manner.

The recent report by the Auditor-General into the management of parole and the staff compliance issues it identified has been accepted and immediately acted upon by the Department. Significant progress has already been made in implementing a comprehensive work plan to address the performance shortcomings outlined in the plan. The 2009/10 financial year will see the implementation phase of this work plan completed.

In addition, and in line with the subsequent State Services Commission report into accountability, an expert panel to review Community Probation and Psychological Services' procedures, decision-support tools and performance measures has been established. This panel will continue to operate until the necessary changes have been embedded into the operations of the Department.

A commitment to effectiveness also drives our focus on finding new and better ways to work with Māori offenders. Because Māori offenders currently make up around 50 per cent of the prison population and approximately 45 per cent of those on community-based sentences, to succeed overall we must succeed for Māori offenders.

Over the next year work will be undertaken to review how we manage violent and 'at risk' offenders. Some concern has been expressed that not all prisoners have been managed in a way appropriate to their offending and behaviour once in prison. Work is already underway to revise the security classification system to ensure that public safety is the prime determinate of a prisoner's classification and how their sentence is managed.

Of course, robust policies and procedures are only as good as the managers and staff applying them. A significant piece of work, which will carry on through this year and beyond, concerns the promotion of a culture of excellence within the Department. It's about getting it right, and getting it right the first time. Many staff are relatively inexperienced and have joined the Department at a time when there is growing demand for our services. The growth in offender numbers is only going to increase. Capability building is therefore a key focus in lifting our game.

Staff safety is a priority for the Department and work is already underway in this area. It will continue over the coming year in co-operation with the unions.

To provide the necessary level of assurance to the Government and the public that we are in the best position to deliver our services in an efficient and effective manner, a value for money review is underway. The review will make recommendations by the start of the 2009/10 financial year about what the Department needs to do to ensure we can deliver:

- excellence in the delivery of correctional services
- services aligned with Government priorities and expectations
- effective and efficient services;

to restore public and Government confidence in the Department.

To ensure I am in a position to provide such an assurance, the review is focussing on opportunities for achieving greater value for money in the Department's operations, within baselines, and on identifying what changes could be made to improve the Department's effectiveness in relation to its core functions, particularly ensuring public safety.

By the end of 2009 I intend to have fully implemented the measures identified by the review which will ensure a greater level of efficiency and effectiveness. This will mean the Department and staff can face the future confident we are in the best position possible to play our part in improving public safety.

In signing this statement, I acknowledge that I am responsible for the information contained in the Statement of Intent for the Department of Corrections. This information has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriations (2009/10 Estimates) Bill, as presented to the House of Representative in accordance with section 13 of the Public Finance Act 1989, and with existing appropriations and financial authorities.



Barry Matthews
Chief Executive



John Bole
General Manager
Business Information and Planning

Nature and Scope of Functions

The Department of Corrections administers the New Zealand corrections system to improve public safety and contribute to the maintenance of a fair and just society. Maintaining public safety is the most important consideration in decisions about the management of offenders under the Department's control or supervision. The purpose and principles that guide the operation of the Department's system are set out below.

The Department manages sentences and orders served in the community, offenders on remand and offenders serving custodial sentences that are imposed by the judiciary and the New Zealand Parole Board.

The Department ensures that sentences and orders imposed by the judiciary and the Parole Board are administered in a safe, secure, humane and cost effective manner. Its facilities are operated in accordance with rules set out in the Corrections Act 2004, listed under sections 70-82, and regulations made under that Act that are based, amongst other matters, on the United Nations Standard Minimum Rules for the Treatment of Prisoners.

In order to reduce the risk of re-offending, the cultural background, ethnic identity, faith, and language of offenders are taken into account when developing and providing rehabilitative programmes and other interventions intended to effectively assist the rehabilitation and reintegration of offenders into the community and also in the sentence planning and management of offenders.

The Department assists in the rehabilitation of offenders and their reintegration into the community, where appropriate, and so far as is reasonable and practicable in the circumstances and within the resources available. It provides rehabilitation programmes to help offenders address and resolve the causes of their offending, reintegrative programmes and services to help offenders reintegrate back into society and a number of internal services, employment and training activities.

The Department provides the judiciary with detailed reports and information on offenders to assist judges in making sentencing decisions. It provides administrative services to the Board, as well as information, to assist in decisions on whether offenders should be released, when, and under what conditions. When making decisions about, or in any way relating to, the release of an offender, the primary consideration for the Board in every case is public safety.

Victims' interests are considered in decisions related to the management of offenders under the Department's control or supervision. Offenders are provided with access to processes designed to promote restorative justice between offenders and victims.

The Department also notifies victims of crime, who are referred by the New Zealand Police, of specific events listed in the Victims' Rights Act 2002. Registered victims are also referred to specialist support organisations for appropriate assistance.

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

Strategic Direction

The current economic downturn requires increased fiscal restraint and discipline across all sectors and industries, which will impact on offenders finding gainful employment during and after completion of sentences and orders. There will be greater scrutiny on public spending and obtaining better value from spending whilst managing an increasing offender population.

Public concerns in relation to crime and public safety are expected to remain high with the increasing public scrutiny of performance within the justice sector as a whole. Underlying demographic trends are indicating an increase in the young offender population amongst the Māori and Pacific youth. In addition to that, the number of older people in the prison population is also increasing, impacting on rehabilitation interventions and health care needs.

This Statement of Intent covers the areas where the Department will contribute to the Government's strategic priorities.

The Department's fundamental purpose is improving public safety. To deliver this objective we will focus on:

- Ensuring sentence compliance and holding offenders to account;
- Managing the impact of an increasing offender population whilst ensuring the safety and wellbeing of staff, and
- Measures that reduce re-offending.

A top Government priority is ensuring the Community Probation and Psychological Service manages offenders on community sentences and on parole efficiently and in a manner consistent with public safety.

Alongside these priorities, the Government will be working with the Department to double the number of prisoners receiving drug and alcohol treatment and increasing the number of prisoners learning industry-based skills.

By achieving these Government priorities and developing a 'culture of excellence', accountability and professionalism at all levels, the corrections system in New Zealand will be better placed to become world class.

In addition the Government has stressed the importance of financial prudence, by requiring good judgement and ongoing demonstration of value for money in the Department's expenditure. To provide more transparent competitive pricing and service levels the Government will work with the Department to remove limitations on the use of public-private partnerships in the management of prisons.

The Department has developed performance indicators for each of the priorities, linked through to the outcomes and outputs to demonstrate delivery. The Department will report tangible progress to demonstrate success against these objectives on a quarterly basis.

The outcome performance measures are further defined under each of the following outcome areas:

- Compliance with sentences and orders is ensured;
- Re-offending is reduced;
- Sentence options are used effectively;
- Victims of crime are supported; and
- Offenders are managed safely and humanely.

The Department's output performance is detailed in Vote Corrections, Information Supporting the Estimates of Appropriations 2009/10.

The Department's outcomes, impacts and outputs, and how they contribute to the wider justice sector are illustrated in the following table.

Table: Outcomes, Impacts and Outputs

| Safe and Just Society | | | Output Classes | Information Services | | | Sentences and Orders Served in the Community | | | Prison-based Custodial Services | | | | Prisoner Transportation and Courtroom Supervision | | Prisoner Employment | Rehabilitative Programmes and Re-intergrative Services | | | | Services to NZPB | Policy Advice and Ministerial Services* | | | | | | | | | | | |
|--|--------------------------------------|---|---|--------------------------------|--|---------------------|--|---------------------------|---------------------|---------------------------------|--------------------------------|-----------------|------------------|---|-----------------------|---------------------|--|---------------------------|-------------------------|------------------------|---|---|----------------------|--|--|--|-----------|--|--|----------|--|--|----------|
| | | | Outputs | Information Services to Courts | Information Services to the New Zealand Parole Board | Services to Victims | Home Detention Sentences | Community-based Sentences | Post-Release Orders | Custody of Remand Prisoners | Custody of Sentenced Prisoners | Health Services | Crime Prevention | Prisoner Transportation | Courtroom Supervision | Prisoner Employment | Education | Rehabilitation Programmes | Re-integrative Services | Psychological Services | Administrative Services to the New Zealand Parole Board | Policy Advice and Development Services | Ministerial Services | | | | | | | | | | |
| Justice Sector End Outcomes | Justice Sector Intermediate Outcomes | Department of Corrections End Outcomes | Department of Corrections Impacts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Safer communities | Offenders held to account | Compliance with sentences and orders is ensured | Offenders complete the correct imposed sentence and order Offenders comply with specific restrictions and requirements | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Impact of crime reduced | Re-offending is reduced | Offenders' rehabilitation needs are addressed | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Offenders acquire employment-relevant skills and qualifications Offenders' re-integrative needs are addressed | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Impact of crime reduced | Sentence options are used effectively | Judiciary and NZPB make informed decisions | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Victims of crime are supported | Eligible victims are notified | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Civil and democratic rights and obligations are enjoyed | Trusted justice system | Offenders are managed safely and humanely | Offenders are not harmed | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Offenders are treated fairly | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Offenders' legitimate needs are met | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Appropriation | \$63.810M | | | \$ 151.683M | | | | | \$712.849M | | | | | | | \$12.351M | | | \$39.648M | | | | | \$74.710M | | | \$5.614M | | | \$4.811M |
| *Outputs within this Output Class contribute to all impacts and outcomes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Operating Intentions – Public Safety

Compliance with Sentences and Orders is Ensured

What the Department is seeking to achieve

Ensuring sentence and order compliance is the Department's core business, and is a key Government priority. It is critical to the integrity of sentences and orders. To improve public safety, the Department ensures offenders comply with their sentences and orders which protect the community from the harm caused by offenders continuing their offending behaviours. Ensuring offenders comply with their sentences and orders also provides an environment in which offenders can be assisted to address the behaviours and circumstances that led them to commit crime.

Effective compliance with sentences and orders is ensured when offenders complete the correct imposed sentence and order, and comply with the specific restrictions and requirements of the custody regime, sentence or order. In particular, effective compliance with sentences and orders is ensured when offenders:

- are positively motivated to comply with their sentences;
- comply with the restrictions of their sentences;
- complete their sentences; and
- experience appropriate consequences when they do not comply.

The ability of staff to consistently and reliably follow procedures is a critical aspect of compliance as it ensures that offenders can be held to account for complying with the conditions of their sentence or order. Motivating Māori offenders to comply with sentences and orders is a particular focus for the Department, given that Māori offenders are currently more likely to breach conditions of their sentence or order, and to be involved in prison incidents, including assaults, illicit drug use, self-harm and attempted escapes.

How the Department contributes to this outcome

Nature and scope of functions

The Department manages offenders on sentences and orders served in the community, offenders on remand and offenders serving custodial sentences that are imposed by the judiciary and the New Zealand Parole Board.

Output Classes

The Department groups the services it delivers on a day-to-day basis into output classes, which in turn are linked to its outcomes. Output Classes which contribute to compliance with sentences and orders is ensured include:

- Sentences and Orders Served in the Community providing funding for the management and delivery of sentences and orders served in the community;
- Prison-based Custodial Services providing funding for the provision of custodial services for remand offenders (people awaiting trial, and offenders convicted but not yet sentenced) and the provision of custodial services for offenders sentenced to imprisonment;
- Prisoner Transportation and Courtroom Supervision providing funding for the transportation for prisoners to and from court and the supervision of prisoners while at court; and
- Prisoner Employment providing funding for the provision of prisoner employment, including the provision and administration of work experience and training opportunities designed to help address the underlying causes of criminal re-offending.

Impact: Offenders complete the correct imposed sentence and order, and comply with the specific restrictions and requirements

Sentences and orders served in the community

The Department is responsible for managing sentences and orders served in the community, including home detention, community detention, parole, intensive supervision, supervision, extended supervision and community work sentences.

When an offender serving a sentence or order in the community breaches the conditions of that sentence or order, enforcement action is taken such as laying a charge of breach of conditions in court. For sentences, an application to have the sentence cancelled and substituted with an alternative sentence can be filed for hearing with the court. In the case of parole, an application is filed with New Zealand Parole Board, requesting that the Board consider the recall of the offender to prison.

Improvements in the management of Parole

The Department established an expert panel to oversee the implementation of the Department's 'Plan to Improve Compliance with Parole Procedures for Managing Parole Orders' as recommended by the State Services Commission's report into accountability as a result of the Office of the Auditor-General's report on the management of offenders on parole. The panel will review and recommend where necessary to ensure that:

- procedures for managing sentences and orders are fit for purpose;
- decision-support tools guide good case management, judgments, and decision-making by probation officers; and
- performance measures establish effective indicators against which performance can be assessed over time.

Prison-based sentences

The Department is also responsible for managing prison-based sentences, including remand and custodial sentences. Imprisonment of offenders is the most serious sentence available to the courts. The Department's priority when managing prison-based sentences is public safety.

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

Crime prevention directly contributes to ensuring sentences and orders are complied with. The Department uses an intelligence capability known as Operational Intelligence which analyses information to assist in the decision-making process relating to the prevention and management of incidents. It is used to develop strategies to mitigate risk to security objectives and promote the prevention and detection of crime.

Establishing and maintaining a secure prison environment is achieved through a combination of management practices, physical security features and systems commensurate with the level of risk related to the offenders' security classification. The Department's Security Classification System defines the security level for sentenced offenders, describes the procedures to be followed and provides guidelines for the placement of these offenders. The purpose of the system is to ensure the management and supervision of sentenced offenders according to the level of risk they pose.

Staff have a key role in motivating offenders to comply with sentences and orders by treating them fairly, with dignity and humanity, meeting offenders' legitimate needs, providing rehabilitative services, and managing offenders safely and humanely.

Government priorities

Government priorities that the Department will work on over the medium term to ensure offenders effectively complete the correct imposed sentence and order and ultimately to ensure compliance with sentences and orders include:

- Completing all policy and legislative processes to allow for the competitive tendering for contract of the management of prisons;
- Implementing the Department's Community Probation and Psychological Services Plan aimed at improving compliance with operational procedures for managing parole orders;
- Designing and implementing changes to the management of offenders on parole and home detention, in order to improve the level of monitoring and oversight and thereby the quality of service delivery;
- Implementing the new contract(s) for the provision of electronic monitoring services for home detention, parole, and extended supervision following the completion of competitive tendering processes;
- Revising the Department's Security Classification System;
- Investigating and developing options to minimise the detrimental impact of gangs on prison operations and on sentence compliance and re-offending; and
- Implementing the Department's new 2008-13 Strategy to Reduce Drug and Alcohol Use.

Reporting tangible progress to demonstrate success

The Department will use the following indicators to monitor its contribution towards the impacts of ensuring offenders complete the correct sentence or order, ensuring offenders comply with specific restrictions and requirements of the custody regime, sentence and order, and ultimately the end outcome of ensuring sentence and order compliance. The Department will report formally against progress on a quarterly basis.

Successful completion of the sentence or order

The Department continues to focus on successful completion of the sentence or order by ensuring offenders complete all activities associated with their sentence or (in the case of community work) completion of hours.

Over the past 18 months the single biggest changes to community sentencing in New Zealand's history were implemented. These changes introduce stronger sentencing options for the judiciary, in particular expanding out electronic monitoring and supervision options. Specifically, two new sentences were introduced – community detention and intensive supervision with home detention becoming a stand-alone sentence. These changes are in addition to the introduction of extended supervision orders for High Risk Child Sex Offenders in 2004 and built on the introduction of the 2002 Sentencing and Parole Acts.

The year-to-date trends are beginning to show promising results, with most rates of sentence and order compliance improving from the 2007/08 period. Particular improvement has been shown with the intensive supervision, home detention, post detention conditions and community work sentences. These improvements come at a challenging time despite an increase in the use of these sentences handed down to offenders as a result of the new community-based sentences introduced in October 2007.

Over the medium term, the Department will be reviewing and redefining performance measures for 'successful completion', which will be undertaken (in part) by the expert panel. The goal for the Department is to ensure that offenders comply with the conditions of their sentence. In the instance of community work where no special conditions are imposed, the offender will complete the sentence within the specified timeframe. Non-compliance will continue to be treated seriously and appropriate action will be taken.

Escapes from custody

The Department works to maintain and improve the security of its prisons in order to reduce the rate of escapes from custody. Over recent years, this has included constructing security perimeter fences with a single point of entry to prison buildings, centralised security management and entry/exit control, and an appropriate mix of physical barriers, detections, surveillance and lighting systems. These improvements in security have seen a decline in the rate of breakout escapes over the past five years.

The overall rate of escapes per 100 prisoners has decreased from 0.51 in 2002/03 to 0.29 during 2007/08. Other escapes have increased slightly in the past financial year, in part a consequence of increasing numbers of prisoners employed in prison work parties, and on Release to Work activities. The rate of escapes in New Zealand compares favourably against other international jurisdictions.

Over the medium term, the Department will continue to maintain and improve prison security and work towards reducing the rate of breakout escapes from custody and minimising the rate of 'other' escapes.

Drug use amongst prisoners

The Department works to reduce the demand for and amount of illicit drug use by prisoners by focusing on preventing illicit drugs entering prisons and motivating and assisting offenders to become 'drug free'. Over recent years, there has been a significant increase in the number of drug dog detection teams, increased point-of-entry surveillance, and the implementation of new scanning equipment and intelligence gathering techniques to reduce the supply of drugs entering prisons. The Department also provides a range of services to offenders with substance abuse problems, including prison-based drug treatment units. The number of such units has been expanded from three to six over the last two years, currently providing treatment places for around 500 prisoners per annum.

These improvements have resulted in a gradual decline in the number of 'positive random tests as a percentage of the total general random testing regime' in prisons. During 2007/08 13 per cent of general random drug tests of prisoners tested positive for drugs, compared with 34 per cent in 1997/98.

Over the medium term, the Department will continue to enhance its ability to reduce the demand for and amount of illicit drugs entering prisons and work towards reducing the percentage of prisoners testing positive for drugs under the general random testing regime.

Re-offending is Reduced

What the Department is seeking to achieve

The Department improves public safety over the longer term by reducing re-offending which is a key priority for the Government. The Department is effective in reducing re-offending when it assists offenders to recognise and address the causes of their offending, and the number of people returning to the corrections system decreases and, in particular, Māori re-offending rates reduce significantly.

Re-offending is reduced when offenders' rehabilitation and reintegrative needs are addressed and they acquire employment relevant skills and qualifications. In particular, re-offending is reduced when offenders:

- maintain or regain a positive sense of their identity and abilities;
- overcome drug and alcohol problems;
- overcome propensities for violence;
- develop offence-free lifestyles;
- build strong pro-social relationships within their family, whānau and community;
- develop skills to improve employability on release;
- find stable employment and accommodation; and
- understand the impact their past re-offending has had on victims.

How the Department contributes to this outcome

Nature and Scope of Functions

The Department assists in the rehabilitation of offenders and their reintegration into the community through the provision of:

- rehabilitation programmes to help offenders address and resolve the causes of their offending;
- reintegrative programmes and services to help offenders reintegrate back into society; and
- a number of internal services, employment and training activities.

In order to reduce the risk of re-offending, the cultural background, ethnic identity, faith and language of offenders are taken into account when developing and providing rehabilitative programmes and other interventions intended to effectively assist the rehabilitation and reintegration of offenders into the community and also in the sentence planning and management of offenders.

The Department manages offenders in an integrated way that applies across all sentence types, lengths and locations. When offenders are convicted of a crime, they are assessed for their risk of re-offending and their rehabilitative needs. These assessments help judges in their sentencing decisions. They are also used to decide which services the Department can offer offenders to address the causes of their offending.

The Department specifically targets interventions for Māori offenders to address their high and disproportionate rates of offending. It has Māori Focus Units and specific programmes in place for Māori offenders including; Tikanga Māori-based programmes, Therapeutic programmes, Kowhiritanga programme for women, and relationship building programmes with Māori groups, whānau, hapū, iwi and communities. Youth are also targeted, because intervention early in a criminal life may prevent a lifetime of offending.

On the whole, the Department provides four broad types of programmes and services to offenders including motivational, rehabilitation, education and employment, and reintegration.

Output Classes

The Department groups the services it delivers on a day-to-day basis into output classes, which in turn are linked to its outcomes. Output Classes which contribute to reducing re-offending include:

- Prisoner Employment providing funding for the provision of prisoner employment, including the provision and administration of work experience and training opportunities designed to help address the underlying causes of criminal re-offending;
- Rehabilitation Programmes and Reintegrative Services providing funding for the provision of prison and community-based responsivity and rehabilitative programmes, reintegrative services and psychological services designed to address the underlying causes of criminal re-offending.

Impact: Offenders' rehabilitation needs are addressed

Rehabilitative programmes are targeted toward offenders who are most likely to benefit; those who are otherwise likely to re-offend and who have expressed a willingness to address factors that led to their offending. These long, hard and intensive programmes are based on the three core principles of the psychology of criminal conduct: risk, need, and responsivity. Such programmes give an opportunity to the offender to incorporate cultural aspects including Te Whare Tapa Wha, the model of wellbeing, to highlight the importance of lifestyle balance on the alternative pathway.

Government priorities

Government priorities that the Department will work on over the medium term to ensure offenders' rehabilitation needs are addressed and ultimately to reduce re-offending includes:

- Expanding the capacity of rehabilitation programmes by:
 - Increasing the number of prisoners who are able to receive drug and alcohol treatment to 1,000 by 2011.
- Enhancing the Department's approach to rehabilitation by:
 - Evaluating the Department's approach to offenders' sentence plans and sentence plan objectives by implementing changes to move to one plan, simplifying objectives and reduce the number of sentence plan conditions;
 - Investigating where the Department is succeeding at reducing re-offending with a view to commit to interventions that are proven to reduce re-offending and stopping those that are not;
 - Continuing to progress the evaluation of the Department's Pacific Focus Unit and Saili Matagi programmes; and
 - Investigating and developing options for maximising the effectiveness of Māori Focus Units.
- Continuing to improve measures of reducing re-offending by:
 - Implementing a revised integrity monitoring and reporting system for rehabilitation programmes; and
 - Developing a Rehabilitation Quotient (RQ) measure to include changes in frequency and seriousness of re-offending and in re-offending of specific offence type.
- Contributing toward the cross-sectoral policy work on the drivers of the Justice Sector Forecast. This work will contribute to policy which is designed to help reduce the size of forecast prison numbers, including through reducing re-offending.

Reporting tangible progress to demonstrate success

The Department will use the following indicators to monitor its contribution towards the impact of ensuring offenders' rehabilitation needs are addressed and the wider end outcome of re-offending is reduced. The Department will report formally against progress in the Annual Report.

Rehabilitation Quotient in relation to specified rehabilitation programmes

The Department works towards reducing the rates of re-offending by delivering effective rehabilitation interventions to offenders. Over recent years, rehabilitation programmes have continued to be enhanced and delivered to offenders, in ways consistent with international best practice principles and local evaluations, to enable them to live offence-free lifestyles.

Rehabilitation Quotient (RQ) results confirm that more intensive programmes, delivered by specialist personnel to offenders at higher risk of re-offending, are effective in reducing rates of re-offending, such as drug treatment units (DTUs) and generic special treatment units (STUs).

Over the medium term, the Department will continue to work towards reducing the rates of re-offending by delivering the most effective rehabilitation programmes to offenders and using the Rehabilitation Quotient (RQ) and other evaluation methods to measure the extent to which re-offending is reduced amongst those who receive a rehabilitation intervention.¹

¹ Overall rates of reconviction and re-imprisonment after 12 and 24 months will continue to be calculated and publicly reported annually, based on a range of population characteristics (age, gender and ethnicity) as well as sentence type and offence related characteristics.

Impact: Offenders acquire employment-relevant skills and qualifications

Education programmes and employment opportunities assist offenders to gain skills, work habits and qualifications that lead to sustainable employment after they are released from prison. This objective is described in further detail in the Prisoner Skills and Employment Strategy 2009-12 mentioned below.

Government priorities

Government priorities that the Department will work on over the medium term to ensure offenders acquire employment relevant skills and qualifications and ultimately to reduce re-offending are included in the Prisoner Skill and Employment Strategy 2009-12. The Strategy specifically includes:

- Enhancing the Department's approach to employment by:
 - Reviewing existing provisions of literacy to prisoners and explore options to expand programmes that improve prisoners' literacy and numeracy levels, develop initiatives designed to improve the uptake of these programmes, including developing indicators of success for these programmes.
- Expanding the capacity of the employment programmes by:
 - Increasing the number of prisoners gaining skills and work experience by 1,000 by 2011;
- Improving the Department's effectiveness for Māori by exploring ways of increasing Māori participation in employment programmes.

Reporting tangible progress to demonstrate success

The Department will use the following indicators to monitor its contribution towards the impact of ensuring offenders acquire employment relevant skills and qualifications and the wider end outcome of re-offending is reduced. The Department will report formally against progress on a quarterly basis.

Number and level of National Qualifications Framework (NQF) credits achieved

The Department works towards ensuring offenders acquire employment relevant skills and qualifications by increasing the number and level of credits achieved by prisoners through the NQF. Over recent years, this has included an increased focus on improving the quality of training and increasing the number of instructors qualified as New Zealand Qualifications Authority accredited assessors.

A focus on improving the quality and quantity of education and training has almost doubled the number of NQF credits earned by prisoners over the last year to 37,563 in 2007/08, compared to 20,350 in 2006/07.

Over the medium term, the Department will continue to ensure prisoners acquire employment relevant skills and qualifications by working towards further increasing the number and level of NQF credits achieved by prisoners.

Impact: Offenders' reintegrative needs are addressed

Reintegration programmes and services are designed to assist offenders and their families/whānau cope successfully when offenders finish their sentence and return to the community. Reintegration programmes emphasise living skills such as healthcare, obtaining employment, budgeting, parenting and how to live responsibly and cooperatively in a household.

Government priorities

Government priorities that the Department will work on over the medium term to ensure offenders' reintegrative needs are addressed and ultimately to reduce re-offending include:

- Carrying out a stock-take of support and facilities available to offenders released from prison, including substance abuse treatments, accommodation and employment with particular focus on the role played by non-government organisations;
- Implementing agreed changes to ensure that Work and Income (Ministry of Social Development) teams in prisons are enabled to increase their focus on job search over benefit processing, support offenders appearing before the Board, and appropriately leverage qualifications and experience gained by offenders with Corrections Inmate Employment; and
- Consolidating and enhancing locality profiles as a key resource tool for reintegration planners, probation officers and the Māori Services Team; in support of Māori offender reintegration.

Reporting tangible progress to demonstrate success

The Department will further develop indicators to monitor its contribution towards the impact of ensuring offenders' reintegrative needs are addressed and the wider end outcome of re-offending is reduced.

Sentence Options are used Effectively

What the Department is seeking to achieve

The Department contributes to improving public safety by providing advice to the judiciary and the New Zealand Parole Board on an offender's risk and suitability for rehabilitation. The judiciary and the Board depend on this advice in order to make appropriate sentencing decisions.

Sentence options are used effectively when the judiciary and Board make informed decisions. In particular, sentence options are used effectively when the Department's advice assists:

- the judiciary to impose sentences commensurate to the crimes committed, through access to advice on risks posed by the offender and their suitability for rehabilitation; and
- the judiciary and the Board to make appropriate sentencing decisions.

How the Department contributes to this outcome

Nature and Scope of Functions

The Department provides courts with detailed reports and information on offenders to assist judges in making sentencing decisions. It provides administrative services to the Board, as well as information, to assist in decisions on whether offenders should be released, when and under what conditions. When making decisions about, or in any way relating to, the release of an offender, the paramount consideration for the Board in every case is public safety.

Output Classes

The Department groups the services it delivers on a day-to-day basis into output classes, which in turn are linked to its outcomes. Output Classes which contribute to ensuring sentence options are used effectively include:

- Information Services providing funding for the provision of information about offenders to the judiciary and the New Zealand Parole Board to inform their respective decision-making processes, the administration of home leave for prisoners, and the provision of victim notification services; and
- Services to the New Zealand Parole Board providing funding for the provision of services to the New Zealand Parole Board relating to the provision of administrative, financial and secretariat services.

Impact: Judiciary and the New Zealand Parole Board make informed decisions

Services to the Judiciary

The Department provides the judiciary with detailed reports and information on offenders to assist judges in making sentencing decisions. Effective sentences are those that adequately denounce the crime, provide protection for the public, deter future crime, and permit rehabilitation of the offender. In preparing reports to judicial authorities, the Department actively liaises with the New Zealand Police to ensure quality advice.

Services to the New Zealand Parole Board

The Department provides administrative services to the Board, as well as information, to assist in decisions on whether offenders should be released, when, and under what conditions. Prior to hearings, the Board receives information from a range of sources, including the Department's staff in both the Prison Service and Community Probation and Psychological Service. Changes were introduced in early 2009 to involve unit managers of prisons in parole hearings to ensure that information on prisoner behaviour in prison is presented in full to the Board.

The New Zealand Parole Board was established on 30 June 2002, under the Parole Act 2002, and replaced 17 District Prison Boards and the national Parole Board. The Board makes decisions on the release of offenders from prison on parole. It also sets conditions for offenders when they are released, and can recall offenders to prison if they do not follow the conditions set for them. Following October 2007, decisions on home detention previously made by the Board are now made by the judiciary.

Reporting tangible progress to demonstrate success

The Department will further develop indicators during 2009/10 to monitor its contribution towards the impact of ensuring the judiciary and the Board make informed decisions and the wider end outcome of sentence options are used effectively.

Victims of Crime are Supported

What the Department is seeking to achieve

The Department supports victims of crime by providing specified notification services to victims who have requested that their details be forwarded by the New Zealand Police. However, the Department's most significant contribution to this outcome is ensuring that offenders comply with their sentences and orders and re-offending is reduced; two of the key Government priorities. By achieving these two outcomes, the Department protects the public from future offending, improves public safety and reduces the number of victims of crime in the community.

Victims of crime are supported when they are provided with information and appropriate assistance. In particular, victims of crime are supported when registered victims are:

- provided with information in accordance with the Victims' Rights Act 2002; and
- referred to specialist support organisations for appropriate assistance.

How the Department contributes to this outcome

Nature and scope of functions

The Department notifies victims of crime, who are referred by the New Zealand Police, of specific events detailed in the Victims' Rights Act 2002. Registered victims are also referred to specialist support organisations for appropriate assistance.

Victims' interests are considered in decisions related to the management of offenders under the Department's control or supervision. Offenders are, where appropriate and so far as is reasonable and practicable in the circumstances, provided with access to processes designed to promote restorative justice between offenders and victims.

Output Classes

The Department groups the services it delivers on a day-to-day basis into output classes, which in turn are linked to its outcomes. The Output Class which contributes to ensuring victims of crime are supported is:

- Information Services providing funding for the provision of information about offenders to the judiciary and the New Zealand Parole Board to inform their respective decision-making processes, the administration of home leave for prisoners, and the provision of victim notification services.

Impact: Eligible victims are notified

Providing victims with information

The Department provides registered victims with information about events relating to the specific offenders who have been convicted for offences against the victim in accordance with the Victims' Rights Act 2002. Victims of crime who choose to register can participate in the criminal justice process to the extent they wish.

Referring victims to specialist support agencies

The Department refers victims to other appropriate agencies and non-government organisations for specialist support which provide practical assistance to help victims recover from the effects of crime. These agencies provide information, support and assistance to individual victims, witnesses, their families and friends. They also raise public awareness and recognition of the effects of crime and promote victims' rights.

Reporting tangible progress to demonstrate success

The Department will use the following indicators to monitor its contribution towards the impact of ensuring eligible victims are notified and the wider end outcome of ensuring victims of crime are supported. The Department will report formally against progress on a quarterly basis.

Justified complaints from registered victims

The Department works towards minimising the number of justified complaints from registered victims who have chosen to register on the Victim Notification System². The Department consistently maintains and provides information to registered victims about events relating to the offender(s) against whom they are registered in accordance with the Victims' Rights Act 2002.

There have been no justified complaints in the past two years and only four since 2002. Over the medium term, the Department intends to work towards maintaining this level and ensuring eligible victims are notified.

² 'Complaints' are complaints made in writing to the Chief Executive about failure to notify or late notification of the provisions of Part 3 of the Victims' Rights Act 2002.

Offenders are Managed Safely and Humanely

What the Department is seeking to achieve

The Department contributes to managing offenders safely and humanely by providing a safe, secure and humane environment for offenders in accordance with the Corrections Act 2004 and international conventions. The Department also ensures that offenders can serve their sentences and orders in the community in a safe environment. This includes ensuring offenders undertake Community Work in a healthy and safe work environment.

Offenders are managed safely and humanely when they are not harmed, treated fairly and their legitimate health, physical, cultural, spiritual and social needs are met. In particular, offenders are managed safely and humanely when they:

- are contained safely and securely with minimum risk to public and staff safety;
- can fulfil their sentence requirement in a safe environment, particularly when undertaking employment or work activities;
- are protected from avoidable harm by other offenders or from self-harm;
- are treated fairly and with dignity; and
- are able to raise legitimate grievances and have them addressed.

In addition to this, offenders serving custodial sentences are managed safely and humanely when they:

- are housed humanely and have their basic human needs (food, shelter, clothing) met;
- receive health care comparable to that which the general community receives;
- can maintain pro-social relationships with family and friends, subject to appropriate security requirements;
- have access to spiritual support; and
- have access to a reasonable level of physical exercise.

How the Department contributes to this outcome

Nature and Scope of Functions

The Department ensures that sentences and orders imposed by the judiciary and the New Zealand Parole Board are administered in a safe, secure, humane, and cost effective manner. The Department operates in accordance with rules set out in the Corrections Act 2004 and regulations made under that Act that are based, amongst other matters, on the United Nations Standard Minimum Rules for the Treatment of Prisoners.

The Department ensures the fair treatment of offenders under its control or supervision by providing them with information about the rules, obligations, and their entitlements. It also ensures that decisions about individual offenders are taken in a fair and reasonable way and that they have access to an effective complaints procedure.

Output Classes

The Department groups the services it delivers on a day-to-day basis into output classes, which in turn are linked to its outcomes. Output Classes which contribute to managing offenders safely and humanely include:

- Sentences and Orders Served in the Community, providing funding for the management and delivery of sentences and orders served in the community;
- Prison-based Custodial Services, providing funding for the provision of custodial services for remand offenders (people awaiting trial, and offenders convicted but not yet sentenced) and the provision of custodial services for offenders sentenced to imprisonment;
- Prisoner Transportation and Courtroom Supervision, providing funding for the transportation for prisoners to and from court and the supervision of prisoners while at court; and
- Prisoner Employment providing funding for the provision of prisoner employment, including the provision and administration of work experience and training opportunities designed to help address the underlying causes of criminal re-offending; and
- Rehabilitative Programmes and Reintegrative Services providing funding for the provision of prison and community-based responsivity and rehabilitative programmes, reintegrative services and psychological services designed to address the underlying causes of criminal re-offending.

Impact: Offenders are not harmed

The Department is responsible for ensuring that offenders are managed safely, securely and humanely. Keeping offenders safe is a constant challenge for staff, given many offenders are at vulnerable stages in their lives or may resort rapidly to violence when facing conflict or frustration. Right from first contact with an offender, the Department must establish and maintain the security and safety of the community, staff, and the offender.

Preventing unnatural deaths and self-harm in prison is important to ensure offenders are managed safely and humanely. People in prison are known to be at a higher risk of suicide and self-harm than the general population. Deaths in prison are rare, however on the unfortunate occasions when they do occur an investigation is carried out, independently of Prison Services, into the circumstances surrounding the death by the Inspectorate. These investigations are closely monitored by the Office of the Ombudsman. Offenders identified as being at risk of self-harm are actively managed to prevent as many incidents as possible.

The Corrections Act 2004 and Regulations require that, so far as practicable, offenders aged under 18 years are kept separate from older offenders. However, young offenders can mix with adult offenders if it is in their best interests or there is a lack of suitable facilities to separate youth from adults. The Department's development of specialist youth units for young male offenders is part of its strategy to provide safe, secure and humane containment for all offenders.

Staff Safety

While the Department has an obligation to manage offenders safely, it also has an obligation to provide a safe working environment for prison staff which is one of the Government's highest priorities. To examine the best ways to help keep staff safe, the Department is working with frontline staff and unions on a Prison Staff Safety Project. The project team is exploring two different areas of work; in particular whether further training would help staff manage prisoners better and de-escalate potentially violent situations more effectively and whether additional personal protective equipment would help our staff avoid injuries.

Community Probation and Psychological Services staff are trained in appropriate and safe ways to intervene and prevent violence, including referrals to specialist agencies. Prison staff are trained to work with offenders to create a stable social environment and to watch for early warning signs of violence. If violence does occur, staff are trained in de-escalation and approved control and restraint techniques. Violent offenders make up a significant proportion of the prison population, and in prison tend to be more challenging to manage.

Government priorities

Government priorities that the Department will work on over the medium term to ensure offenders are not harmed and ultimately managed safely and humanely, include:

- Developing and trialling better ways to manage difficult and violent offenders;
- Completing the development of an incident response framework and implement;
- Implementing the findings of the Staff Safety Project, in relation to further training and equipment for staff; and
- Implement the 2009/10 components of the Department's Health and Safety Policy.

Reporting tangible progress to demonstrate success

The Department will use the following indicators to monitor its contribution towards the impact of ensuring offenders are not harmed and ultimately the wider end outcome of ensuring offenders are managed safely and humanely. The Department will report formally against progress on a quarterly basis.

Rates of serious prisoner assaults on staff

The Department works to create an environment where it can ensure the safety of its staff, particularly as a result of the significant increase in violent offenders. Corrections Officers are trained in the use of de-escalation and approved control and restraint techniques.

During the past five years, serious prisoner assaults on staff as a rate per 100 prisoners has increased slightly from 0.07 in 2002/03 to 0.08 in 2007/08. However, these assaults are declining after peaking at 0.13 in 2004/05. The rate of serious prisoner assaults on staff continues to compare favourably against other international jurisdictions.

Over the medium term, the Department will continue to create an environment where it can ensure safety of its staff and work towards reducing the rate of serious prisoner assaults on staff.

Rates of serious prisoner assaults on other prisoners

The Department works to reduce the number of serious prisoner assaults on other prisoners in order to ensure the safe and humane management of prisoners. Over recent years, this includes implementation of the prisoner placement system, trialling a structured day system within the new prisons and new vehicle standards for the transportation of prisoners.

Improvements in managing prisoners safely and humanely have supported the rate of prisoner assaults being relatively stable over the past five years; this is despite a significant increase in the prisoner population and the proportion of violent offenders.

The rate per 100 prisoners of serious assaults has decreased from a rate of 0.48 in 2003/04 to a rate of 0.38 in 2007/08. The rate of serious assaults on prisoners continues to compare favourably against other international jurisdictions.

Over the medium term the Department will continue to ensure the safe and humane management of offenders and work towards further reducing the rate of serious prisoner assaults on other prisoners.

Rates of unnatural deaths in prisons

The Department works to reduce the risk of unnatural deaths in prison by ensuring offenders are managed safely and humanely. Over recent years, this includes staff awareness training and ensuring the integrated and active management of prisoners who are assessed as being at risk of harm, including self-harm.

These improvements have translated into a decline in the rate of unnatural deaths in prisons over the past five years from 0.14 unnatural deaths per 100 prisoners in 2003/04 to 0.06 in 2007/08.

Over the medium term the Department will continue to ensure offenders are managed safely and humanely and work towards further reducing the rate of unnatural deaths in prison.

Impact: Offenders are treated fairly and their needs are met

The Department ensures that whilst offenders are securely contained, they are also housed humanely – protected from avoidable harm and afforded protection of their lawful entitlements listed under sections 70-82 of the Corrections Act 2004. These entitlements include the basic necessities of life (food, shelter, and clothing), adequate health care, opportunities to maintain relationships with family and friends, religious, spiritual, and cultural support, access to legal advisors and statutory visitors, access to information and education, and access to a reasonable level of physical exercise.

Every prisoner entering prison has their health needs assessed and on-going care and treatment is provided according to their clinical need. Health care needs of offenders in the community and prison are addressed in a manner which is consistent with the standards of care available in the community.

The Department is funded to provide primary health care to offenders. Primary health care includes provision of 'front-line' services available in most communities including, primary medical, nursing, primary mental health addiction services, dental health care, public health and some disability support services.

To meet its primary health care role, the Department employs nursing staff. Provision of secondary and tertiary health care services is the responsibility of the local District Health Board (DHB). The prison health service refers offenders requiring specialist care and treatment to these services under the same eligibility criteria as any other member of the public³.

³ Offenders have higher health needs than the general population. The Prisoner Health Survey says most offenders released from Prison have improved health: <http://www.moh.govt.nz/>

Government priorities

Government priorities that the Department will work on over the medium term to ensure offenders are treated fairly and their legitimate health, physical, cultural, spiritual and social needs are met and ultimately managed safely and humanely, include:

- Enhancing the Department's approach to managing offenders with mental health problems by implementing an improved mental health screening tool and associated primary mental health treatment.

Reporting tangible progress to demonstrate success

The Department will use the following indicators to monitor its contribution towards the impact of ensuring offenders are treated fairly and their legitimate health, physical, cultural, spiritual, and social needs are met and ultimately the wider end outcome of ensuring offenders are managed safely and humanely. The Department will report formally against progress on a quarterly basis.

Justified complaints to the Inspectorate

The Department works towards reducing the number of justified complaints to the Inspectorate. Over recent years, the reduction in the number of offender complaints to the Inspectorate and the comparable rise in matters dealt with through the internal complaints system is encouraging confirmation that the Department is more effectively resolving offender and prisoner concerns at the lowest possible level.

These improvements have been reinforced by the low incidence of justified complaints to the Inspectors. Only 84 complaints out of a total of 2,223 complaints to an Inspector, or 3.8 per cent, were deemed to be justified during 2007/08, which compares favourably with 121 from a total of 3,094 (3.9 per cent) in 2006/07. Sentences served in the community have continued to generate a very low volume of complaints to the Inspectors, with only four received in 2007/08.

Over the medium term, the Department will work towards reducing the number of justified complaints to the inspectorate by ensuring offenders and prisoners are treated fairly and their legitimate health, physical, cultural, spiritual and social needs are met.

Justified complaints to the Ombudsmen

The Office of the Ombudsmen provides an external review function, complementary to the Department's own independent internal Inspectorate. Each year the Ombudsmen's Office receives and resolves a large number of complaints from prisoners (just over 4,000 in 2007/08) but a much smaller number from offenders serving sentences and orders in the community. Only a very small proportion of these complaints are ultimately upheld. The Department will use the Ombudsmen's findings as an indicator of the achievement of safe and humane management, with the exact format of the reporting against this outcome to be resolved with the Office of the Ombudsmen for the 2009/10 Annual Report.

Managing in a Changeable Operating Environment

The Department manages its business, and implements projects, to ensure changes in the external environment in which it operates do not compromise its role in improving public safety.

Current Environmental Scan – External Drivers

The following section summarises mitigating strategies for the key environmental trends expected to affect the Department in the next three years.

Challenging national/international economic conditions

Over the medium to long term there will be ongoing fiscal restraint across the Public Sector, in light of the growing international financial crisis and its impact on the New Zealand economy. The Department will emphasise financial prudence, by exercising 'good judgement' and working in innovative ways to clearly achieve value for money. Further information on how the Department will monitor its efficiency and effectiveness is outlined on page 25 under 'Ensuring Cost Effectiveness'.

The increasing unemployment rate⁴ will potentially have a negative effect on reducing re-offending, by making it more difficult to provide gainful employment opportunities for offenders while in custody and post-release. The Department will work to strengthen its partnerships with employers providing opportunities for offenders to gain on-the-job skills and experience. The Department will also implement its Prisoner Skills and Employment Strategy 2009-12 which has the goal of providing more offenders with meaningful work and training to help them find work on release to meet the Government's prisoner employment objectives.

Further information on how the Department will ensure offenders acquire employment related skills and qualifications and ultimately reduce re-offending is outlined on pages 10 to 13 under 'Re-offending is Reduced'.

Government priorities

In December 2008, the Cabinet Business Committee requested all Departments to carry out a line-by-line review of expenditure. The potential savings identified by the Department in this review have been removed from the Department's baseline.

The Chief Executive has also initiated a Value for Money review of the Department to ensure:

- excellence in the delivery of correctional services;
- that services are aligned with Government priorities and expectations;
- that services are delivered in the most cost effective and efficient way; and
- that public and Government confidence in the Department is built over time.

The objectives of the Value for Money review are to:

- a) Identify opportunities for achieving greater value for money in the Department's operations, within baselines. This includes improving the focus on what works best to achieve the Government's desired outcomes, improving operational efficiency, and ensuring that resources are available where they are needed most.
- b) Identify what changes could be made to improve the Department's effectiveness in relation to its core functions, particularly ensuring public safety. This includes a focus on what would be required to improve adherence to operating procedures and manage risk more effectively.

Increasing Offender Population

The forecast increase in the offender population will continue to place pressure on the Department's services and facilities. The Department collaboratively participates with its justice sector partners, in the Justice Sector Prison Population Forecast and matching it to its capacity planning. Further information on how the Department will ensure it meets the demand for its services and facilities is available on pages 24 to 28 under 'Assessing Organisational Health and Capability'.

⁴ In the main forecast the Treasury expects unemployment to increase by 52,000 between September 2008 and June 2010, taking the unemployment rate to 6.5%, as per the Budget Policy Statement 2009 (December 2008).

Increases in drug related offences may increase the number of offenders with drug dependencies. The Department will implement the new Strategy to Reduce Alcohol and Drug Use by Offenders to address issues of dependency in offenders and the illicit use of drugs and alcohol in prisons. Further information on how the Department manages offenders with dependencies is available on pages 6 to 13 under 'Compliance with Sentences and Orders is Ensured' and 'Re-offending is Reduced'.

Further increases in violence related offences will mean further growth in the number of violent offenders, who tend to be more challenging to manage. The Department creates a stable social environment by actively managing offenders and watching for early warning signs of violence and continually adapts strategies to manage violent offenders.

A proliferation of gangs and gang-related crime will potentially increase the threat of organised crime within prisons. The Department works to reduce the impact of organised crime by maintaining Operational Intelligence, which analyses information to assist in the decision-making process relating to the prevention and management of incidents.

Social and demographic changes

A possible increase in young offenders, particularly Māori and Pacific, is taken into account in projections of required capacity for facilities and services. The Department contributes to the development of justice sector forecasts and to social sector efforts to understand and address these trends. Improving the Department's contribution to reducing Māori re-offending is also a major emphasis in the Strategic Business Plan for 2008-13.

A further demographic trend with implications for Prison Services in particular is the ageing of the prison population. In 1980, prisoners aged 30 years or older made up 20 per cent of the sentenced population; by the end of 2008 they comprised 58 per cent of the total. The most significant growth has been in the 30 to 49 year age group. However, the number of 50 plus sentenced prisoners has gone from 2.3 per cent in 1980 to 9.8 per cent (630 people) by the end of 2008. This shift has implications for the design and intent of rehabilitation interventions, as well as health care costs for older prisoners.

Risk Assessment/Management Framework

The Department uses a formal risk management framework to identify and proactively mitigate risks. This framework is based on the Australian/New Zealand AS/NZ 4360:2004 Risk Management standard.

The Department's internal control framework is based on the Committee of Sponsoring Organisations model and employs a number of separate assurance mechanisms, including the Internal Audit and Inspectorate functions plus a Professional Standards Unit that independently review processes within the operational services and investigate incidents and complaints. The Office of the Ombudsmen also has an external prison complaints role, and a role monitoring the investigation of serious incidents. The Ombudsmen's inspectors also visit prisons as required by the National Preventive Mechanism under the Optional United Nations Protocol to the Convention Against Torture.

Internal Control and Risk Management frameworks are overseen by the Assurance Board that consists of four independent external members. The Assurance Board reports its activities through to the Chief Executive, who is a regular attendee at the two monthly meetings, and summarises its activities in the Department's Annual Report.

Assessing Organisational Health and Capability

Enhancing Capability

What the Department is seeking to achieve

The Department's 2008-13 Strategic Business Plan identifies enhancing capability as a key supporting strategy, alongside strengthening partnerships. To support this Plan, an organisational development strategic plan outlines how the Department will enhance the capability of its people, and focuses on the human resources, leadership and culture aspects of capability. Enhancing the capability of the Department's people is not an end in itself, but is intended to improve public safety through staff who ensure sentence compliance, reduce-re-offending and who can work effectively, with a specific focus on Māori offenders.

The Department successfully enhances the capability of its people when:

- staff are competent and highly motivated to meet the Department's needs, now and in the future;
- staff are strong leaders who can inspire and manage the Department's workforce and create a positive employment environment and experience for staff;
- staff express and demonstrate their understanding of their role in the Department, and how they can make a difference;
- staff have confidence in working with Māori communities, whānau, hapū and iwi; and
- there are reductions in numbers and length of vacancies and increasing numbers of existing staff gaining seniority and moving into management positions.

The public rightly expect high standards of professionalism and ethical behaviour from the Department. Maintaining these standards is essential for public confidence and ensuring the effectiveness of its staff in protecting the public. The Department will promote a culture of excellence, where staff are enthused by their work, are empowered to innovate and discover new and better ways of working, and have the environment and resources to do their jobs in the most effective way possible.

The Department will work to enhance its capability by emphasising a strong culture which ensures staff have the knowledge, support and experience to 'do their jobs well'. Staff are committed to the Department's values – PRIDE (Professionalism, Responsiveness, Integrity, Diversity, Effectiveness and Efficiency). These values have been communicated across the organisation and reinforced through the Chief Executive's internal annual PRIDE awards which identify and celebrate exemplary behaviour demonstrating the Department's values.

Reporting tangible progress to demonstrate success

The Department has developed performance indicators to assess its contribution towards enhancing capability.

Over the medium term the Department will continue to enhance its capability by using the following performance indicators to measure its effectiveness by working towards:

- reducing the percentage of FTE staff turnover;
- increasing the average length of service;
- reducing the average cost per individual recruitment;
- reducing the time taken to complete an individual recruitment process;
- increasing the total number of delivery hours for frontline staff training;
- increasing the percentage of training delivered against the budgeted plan;
- increasing the Department's Accident Compensation Corporation Partnership Programme status (Primary, Secondary or Tertiary);
- reducing the number of work-related injuries, per 100 full time equivalent staff, that give rise to claims;
- increasing the percentage of female FTE staff (total, managers and frontline); and
- increasing the percentage of Māori and Pacific FTE staff (total, managers and frontline).

The Department will report formally against progress on a quarterly basis.

Equal Employment Opportunities

The Department takes a strategic approach to Equal Employment Opportunities (EEO). The Department's EEO Policy aligns with and promotes the government's policies detailed in the Equality and Diversity: New Zealand Public Service Equal Employment Opportunities Policy.

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 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 indicators identified in the enhancing capability section will demonstrate the progress against the EEO policy.

Ensuring Cost Effectiveness

The Department endeavours to improve its efficiency whilst at the same time maintaining and improving its effectiveness. It seeks to continuously improve the value it delivers to the New Zealand public.

Reporting tangible progress to demonstrate success

The Department uses the following indicators to monitor its efficiency:

- Cost per offender per day, disaggregated by:
 - prisoners and offenders serving sentences and orders in the community;
 - including capital-related costs; and
 - excluding capital-related costs.
- Staff offender ratios, by:
 - frontline staff; and
 - total staff.

The Department will report formally against progress on a quarterly basis.

To demonstrate cost effectiveness the Department subjects its rehabilitative programmes to thorough outcomes analysis and evaluation. Many programmes have been significantly redeveloped in response to earlier evaluations of their effectiveness. An increasing number of activities and programmes (including those delivered under contract by community providers) are including cost effectiveness measures. Ongoing evaluation means the Department can demonstrate value for money on the basis that effective programmes can show an associated drop in recidivism, as well as value for money.

The Department participates in various international correctional forums for communicating appropriate New Zealand standards and learning in offender management. It also shares information to benchmark a range of its outcome indicators to improve performance and ensure cost effectiveness. Further information on these indicators is contained within the Department's Annual Report.

Strengthening Partnerships

What the Department is seeking to achieve

The Department effectively contributes to strengthening partnerships when:

- mutually beneficial relationships exist with a wide range of partners, including agreement on how to measure improved sentence compliance and reduce re-offending;
- timely and appropriate support and services are delivered by other agencies and those involved with offenders in the community; and
- offenders reintegrate and live offence-free lifestyles within the community and post-release.

To achieve its outcomes the Department will develop strong relationships with a diverse range of partners, improve existing relationships, and build new ones. The Department will work with its partners in a more focused integrated way to ensure the wider benefit of community safety.

The Department works with many other organisations to deliver programmes, activities and services to offenders. These organisations include public sector agencies, non-government organisations, training and educational

organisations, community groups and volunteers. It is also reliant on employers providing work opportunities for offenders to gain on-the-job skills and experience.

The Department will strengthen its partnerships with other justice sector agencies to reduce re-offending, manage the offender population, and stem intergenerational patterns of offending. The Department will also work closely with the health sector to address offenders' health issues.

The Department's work with Māori groups, including whānau, hapū and iwi, is critical to reduce re-offending by Māori. The Chief Executive has a Māori Advisory Group to guide policy and operational decisions on how the Department can be more effective for Māori. The Department works closely with local iwi ensuring services are delivered in ways that work best for Māori. The Department's operational Māori Services resource has been re-aligned and re-focused by the establishment of a new 'Māori Services Team' within the Rehabilitation Group. This team will be concentrating on identifying Māori communities and providers able and willing to support prisoner reintegration and linking them more effectively to offender needs.

The Department actively engages with Pacific families, communities and Fautua Pasefika (Pacific community volunteers) to support Pacific offenders and their reintegration back into the community following a prison sentence. Currently, the Pacific re-offending rate is lower than other groups, however, a projected increase in Pacific youth demographics requires proactive engagement with the Pacific community. The Chief Executive's Pacific Advisory Group guide policy and operational decisions to ensure that we succeed for Pacific and achieve our outcomes and priorities.

Government priorities

Government priorities that the Department will work on over the medium term towards strengthening partnerships include:

- Improving the Department's effectiveness for Māori by utilising increased access to and awareness of Māori community resources to assist services with Māori prisoner reintegration; and
- Strengthening partnerships to provide improved reintegration services by consolidating the recently established cross Government Reintegration Reference Group and facilitating the application of resources from public sector agencies in support of offender reintegration.

Departmental Capital and Asset Management Intentions

What the Department is seeking to achieve

The Department's strategic goals for its asset portfolio are to:

- ensure the development of facilities and new infrastructure projects, including the application of new facility technologies, support the Department's outcomes;
- manage the maintenance of existing facilities and other assets economically, prioritising work around statutory compliance requirements, seismic risk, upgrade of facilities, urgent maintenance and operational issues; and
- demonstrate by its positive relationships with communities that the Department is a good neighbour.

In line with these strategic goals, the Department is looking to maximise the utilisation of current facilities, including infrastructure, while improving value for money by:

- increasing the amount of double-bunking in the prison estate in order to provide and operate additional capacity in a cost effective manner and in time to meet anticipated prisoner demand; and
- reviewing its facilities standards and construction approach to provide for the use of portable and modular construction methods, significantly reducing future capital expenditure.

The Department manages over \$1.7 billion worth of physical assets across New Zealand. In recent years the Department has managed its assets to accommodate a substantial increase in the offender population. However, with the projection of a further increase in prison-based and community-based offenders, the demand on the Department's facilities will be amplified. Increased demand for services will potentially increase the requirement for office accommodation for staff across the whole Department including demand for additional vehicles, furniture, equipment and similar assets to enable the management functions to maintain their levels of service.

The Department implemented its 2008-13 Asset Management Operational Strategy to facilitate the development and management of facilities and assets to support the organisation's vision and outputs, and contribute to the Department's outcomes. This Strategy, in conjunction with the Asset Management Plan, creates a framework

under which the demand on assets brought about by changes in business needs, growth and approach can be managed in a structured way through the asset management life cycle. Changes in the use of assets are managed in a structured and proactive manner as these needs are identified through policy and business initiatives.

The Department will maintain its prison facilities to ensure that it can safely and humanely contain offenders and deliver effective rehabilitation programmes and reintegration services. The largest project of this nature is the redevelopment of Mt Eden Prison which will deliver two new accommodation buildings providing 450 permanent beds to replace current capacity of 420 beds (fully operational by 2011); support facilities and infrastructure for future development (allowing for additional capacity of 570 permanent beds from 2014); and the preservation and conversion of the Mt Eden Prison heritage building.

Government priorities

Government priorities that the Department will work on over the medium term towards building its physical assets include:

- Progressing the replacement of Mt Eden Prison in accordance with Cabinet decisions;
- Extending double bunking in order to provide 500 extra beds by February 2010, a further 350 by September 2010 and a further 100 by May 2012, whilst investigating further options of alleviating demand pressures on prisons by exploring more efficient prisoner accommodation options.

Capital Expenditure Trends and Forecasts

The table below outlines the Department's capital expenditure programme. This capital programme is aimed at assisting the Department to achieve its operating intentions by ensuring it has the required capacity to meet demand and that its physical assets are maintained.

| | 2008/09 Estimated Actual \$000 | 2009/10 Forecast \$000 | 2010/11 Forecast \$000 | 2011/12 Forecast \$000 |
|----------------------|--------------------------------------|------------------------------|------------------------------|------------------------------|
| Land | 876 | 700 | 700 | 700 |
| Buildings | 96,580 | 359,752 | 123,307 | 84,400 |
| Plant & Equipment | 2,468 | 9,630 | 5,000 | 30,000 |
| Furniture & Fittings | 671 | 800 | 800 | 800 |
| Computer Hardware | 2,475 | 3,300 | 3,300 | 3,300 |
| Motor Vehicles | 9,830 | 15,617 | 6,250 | 6,250 |
| Intangibles | 15,786 | 12,672 | 13,200 | 11,400 |
| Biological assets | - | - | - | - |
| Total | 128,686 | 402,471 | 152,557 | 136,850 |

Information Technology

What the Department is seeking to achieve

The Department is focused on working towards achieving outcomes within the justice sector. With regard to technology, these common objectives will be fulfilled through the Justice Sector Information Strategy. This Strategy, for 2006-2011, has a focus on providing better access to information and resources and extending the focus on information-sharing. Its goals in reference to information technology are:

- to improve the quality and integrity of justice sector information;
- to effectively manage shared justice sector data and information;
- to actively leverage the resources base across the justice sector; and
- to improve information and service provision to communities.

The Department has information technology and knowledge management strategies that guide the management of technology and information within the Department. The Department's information technology direction is also influenced by the wider E-government and Justice Sector Information Strategies. The Department will continue implementation of these strategies to optimise efficiency and effectiveness of systems, decision-support, business processes, and the provision of information.

The Department's Information and Technology Operational Strategy 2008-2013 maintains a clear focus on information technology governance and project management tools to ensure that information technology systems and changes are delivered as needed. The Department has an increasingly sophisticated user base, having more familiarity with technology and the expectation to access the technology instantly.

Given the Department's dependence on technology-based systems, there has been a consistent focus within Corrections to maintain systems at current market levels, and implement solutions that are cost effective and meet business needs. This approach has created a stable and supportable environment, which has delivered reliable and cost effective systems.

Government priority

The Government priority that the Department will work on over the medium term to enhance information technology, is:

- Designing and implementing improvements to the usability of Integrated Offender Management System, the Department's computer system to support the management of offenders in the community by probation officers.

Business Continuity Planning

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

The Department's Business Continuity Plans are subject to annual updates and testing as part of regular emergency exercises or training. Prison Services and Community Probation and Psychological Services' plans were substantially revised in 2008 and reviews of Head Office plans are scheduled for 2009/10.

The Prison Services review of emergency plans will continue during 2009/10 as good practice is standardised nation wide and supported by practical training. A programme of combined incident and pandemic training is planned for all Community Probation and Psychological Services locations.

Additional Information

Statutory Requirements

The Department of Corrections is required to provide additional reporting at the end of each financial year under the Corrections Act 2004 and under the Parole Act 2002. These reports are provided as appendices to the Department's Annual Reports.

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 cover:

S190(1)(a) – reports on how the Chief Executive has carried out his functions under section 8(1)(k), which include 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 under section 12(d).

S190(1)(b) – 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.

Section 190(1)(c)(d)(e) – reports on 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 or an authorised person;
 - to an employee of the Chief Executive or an authorised person;
 - number of proceedings against a prisoner 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.)

Section 190(1)(f) – reports 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.

Section 190(1)(g) – reports 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 any actions taken in relation to the operation of security contracts as a result of matters raised in any report forwarded.

Section 190(1)(h) – reports 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 any actions taken in relation to the management of contract prisons as a result of matters raised in any report forwarded.

With regard to the report required under section 190(1)(b) above, the Corrections Inspectorate is established under the provisions of section 28 of the Corrections Act 2004 as a dedicated complaints resolution, investigation and assurance function, reporting directly to the Chief Executive independently of operational line management. The legislation acknowledges the high level of risk attached to prison management and the need to provide a level of legislative prescription, protection and access for the Chief Executive's assurance agents in matters related to sentence management, and imprisonment in particular.

Section 15a of the Parole Act 2002

Section 15A(4) of the Parole Act 2002 requires the Department of Corrections to include in its Annual Report information about the use of electronic monitoring. The information required covers:

- the number of offenders who were at any time subject to an electronic monitoring condition;
- the average number of offenders who were subject to an electronic monitoring condition and the average duration of the condition;
- the percentage of offenders who, while subject to an electronic monitoring condition attaching to an extended supervision order, were convicted for a breach of the condition or convicted of any other offence;
- a description of processes and systems relating to electronic monitoring that were in place during the year reported on.

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