



PART A: CONTRIBUTION TO OUTCOMES

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NATURE AND SCOPE OF FUNCTIONS

The Department of Corrections administers the corrections system in a way designed to improve public safety and contribute to the maintenance of a fair and just society.

The Department manages:

- > offenders serving sentences and orders in the community
- > offenders serving custodial sentences
- > those remanded in custody.

The Department:

- > ensures that sentences and orders 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 and regulations based, among other standards, on the United Nations Standard Minimum Rules for the Treatment of Prisoners.
- > provides rehabilitation programmes to help offenders address and resolve the factors related to their offending; education and employment opportunities to improve skills and gain employment on release from prison; and services to help prisoners reintegrate back into society
- > takes into account the cultural background, ethnic identity, faith and language of offenders to assist in their rehabilitation and reintegration and in carrying out sentence planning and offender management
- > provides the Judiciary with reports on offenders to assist judges in making sentencing decisions. It provides administrative services and information to the New Zealand Parole Board (NZPB) to assist its decisions on whether, when, and under what conditions, offenders should be released.
- > notifies victims of crime, registered by Police on the Victims Notification Register, of information requirements as set out in the Victims' Rights Act 2002. The Department also refers registered victims to specialist support organisations where appropriate.

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

MANAGING IN A CHANGEABLE OPERATING ENVIRONMENT

The social and economic environment will always provide both challenges and opportunities for this Department. Most of the factors outlined below have had an effect on our working environment through the year and will continue to do so for some time.

After several years of steady growth in both community-based offender and prisoner numbers, volumes in the last 18 months appear to have stabilised, and may even be showing signs of decline. Particular growth has been evident, however, in the number of youth and female offenders being managed, with the number of females being apprehended for violent offending increasing. Despite a bulge in the population of young people, who are in the most crime-prone age bracket, the average age of prisoners has continued to increase as a result of longer periods served, and re-offenders cycling through the system. Offenders who are gang members are re-offending at higher rates than non-gang affiliated offenders, and will continue to be a focus for intervention.

Māori offenders continue to have a disproportionately high level of representation across all stages of the criminal justice process when compared to other population groups, particularly through re-offending and re-imprisonment. Māori offenders continue to present with greater educational needs and histories of unemployment. Reducing re-offending by Māori offenders remains a high priority.

The widespread destruction and disruption brought about by the 4 September 2010 and 22 February 2011 earthquakes in Christchurch created significant challenges for Corrections in both the short and long term. Immediate challenges included offender management, particularly for those serving sentences in the community, as well as assisting staff and restoring facilities.

The country's economy has been recovering slowly from the global financial crisis, and there has been continued fiscal restraint across the public sector. This provides Corrections with an opportunity to pursue and introduce innovative approaches to working with offenders to improve public safety and reduce re-offending within a constrained budget.

STRATEGIC DIRECTION

The Justice Sector

Justice sector agencies work together to protect New Zealand's laws and democracy and make the country safer. The table (below) highlights some of the government agencies involved in the civil and criminal justice systems. Other independent participants include the Judiciary, parole board and a number of scientific, technical and advocacy specialists.

An agreed outcomes framework guides justice sector work. This recognises that in the criminal justice sector there is a very strong relationship between policing activities, the court process, legal representation and prison and rehabilitation services.

Three Key Performance Indicators (KPIs) have been agreed to measure the criminal justice system's effectiveness and efficiency. Justice sector agencies are developing ways to measure and report on the:

- > entry of people into the criminal justice system – to show the prevalence of crime and whether social and justice sector interventions are effective
- > time it takes for cases to proceed through the court system – to show where opportunities exist to improve the functioning and efficiency of the court system
- > rate of recidivism – to show the effectiveness of rehabilitation and reintegration services and existing sanctions.

To track progress, agency-specific and general measures of outcomes, impacts and outputs have been developed. These measures are detailed in the justice sector agencies' Statements of Intent and/or under relevant Votes in the Information Supporting the Estimates.

Corrections' role within the Justice Sector

As a key part of the justice sector, Corrections' work contributes to the justice sector end outcome of a 'safe and just society' by creating and ensuring 'safer communities' and 'civil and democratic rights and obligations are enjoyed'. It also contributes to the following justice sector intermediate outcomes:

- > impact of crime reduced
- > offenders held to account
- > crime reduced
- > trusted justice system.

In achieving the Government's priority of maintaining and improving public safety, the justice sector is expected to be innovative and to deliver services that are cost-effective, accessible and sustainable over the long term. The Justice Sector Sustainability Programme (JSSP) aims to provide an overall picture of the change programmes already underway. The JSSP will then assist justice sector agencies to work together to change or innovate in delivering a modern, effective and affordable justice system for all New Zealanders through to 2020. The Department of Corrections continues to play a key role as part of this collaborative, cross-agency approach.

JUSTICE SECTOR OUTCOMES			
A SAFE AND JUST SOCIETY			
Safer communities		Civil and democratic rights and obligations enjoyed	
Impact of crime reduced	Offenders held to account	Crime reduced	Trusted justice system
Accessible justice services	Internationally connected	Durable settlement of Treaty claims	Effective constitutional arrangements
CORE SECTOR AGENCIES			
Ministry of Justice	New Zealand Police	Department of Corrections	
Ministry of Social Development (Child, Youth & Family)	Crown Law Office	Serious Fraud Office	
CROWN ENTITIES AND OTHER AGENCIES			



OUR OUTCOMES FRAMEWORK

Our new outcomes explain what we aspire to achieve for society over the long term. Our work contributes to the following outcomes:

- > public safety is improved
- > re-offending is reduced.

Our new outcomes framework demonstrates how the resources we use and services we provide contribute to our outcomes. The following table illustrates how our outcomes contribute to society, the specific impacts we want our work to have and how our day-to-day activities contribute. The following sections explain in detail how we have been achieving these outcomes.¹

The table opposite shows how the 2010/11 performance measures align with the new outcomes framework.

We are also focused on delivering better public value and demonstrating strong leadership across the public service and within the community.

We recognise that if we are to reduce re-offending, we need to address the over-representation of Māori in the offender population – to succeed overall we must succeed with Māori offenders. Where applicable and relevant, performance measures have been disaggregated by ethnicity, with rates reported as a proportion of the overall ethnic population. This breakdown allows us to measure how well the Department is succeeding with Māori.

The Department is required by legislation to include additional specific information relating to certain aspects of the Corrections system. Appendices 2 to 5 on pages 89 to 102 report against our legislative requirements.

¹ In the 2011-14 Statement of Intent the Department changed its outcome framework and output measures. In this Annual Report we report against the new framework. Several of our previous outcomes are now impacts. The diagram in Appendix 1 illustrates the relationship between the old outcomes and the new outcomes and impacts.

Outcomes

Public safety is improved

- Measures:
- The proportion of prisoners released on their lawfully required release date
 - The rate of successful completion of sentences and orders

Re-offending is reduced

- Measure:
- Recidivism Index (reconviction, re-imprisonment and seriousness measure)

Impacts

Integrity of sentences and orders is maintained and offenders are held to account

- Measures:
- Prisoner escapes
 - Positive drug tests by prisoners

The Judiciary and Parole Board make informed decisions

- Measures:
- All offenders notified as per NZPB requirements
 - All victims notified as per NZPB requirements
 - All cases to be heard by the NZPB scheduled no later than 16 weeks from the date of the hearing

Risks of harm to others are minimised

- Measures:
- Serious prisoner assaults on staff
 - Serious prisoner/prisoner assaults

Offenders' health and wellbeing is maintained

- Measures:
- Unnatural deaths of prisoners
 - Other incidents of threat-to-life self-harm by prisoners
 - Complaints by prisoners to the Corrections Inspectorate (general and about health services)

Offenders have the skills and support to lead law-abiding lives

- Measures:
- Rehabilitation Quotient scores for individual programmes
 - Skills gained by prisoners (nationally recognised qualifications, New Zealand Qualifications Framework credits and literacy gains)

Outputs

Prison-based custodial services

- Measures:
- Rate of prisoner escapes
 - Rate of prisoner assaults
 - Rate of unnatural deaths of prisoners
 - Rate of self-harm incidents by prisoners
 - Percentage of prisoners with positive drug tests

Sentences and Orders in the community

- Measures:
- Percentage of offenders who have complied with their sentence or order, or who have been held to account

Policy advice and ministerial services

- Measures:
- Volume, quality and timeliness of work

Management of third party custodial services

- Measures:
- Execute the contract for Contract Management of Prisons
 - Commence the transition for Contract Management of Prisons
 - Complete the development and approval of Wiri Prison
 - Stage two Public-Private Partnerships business case

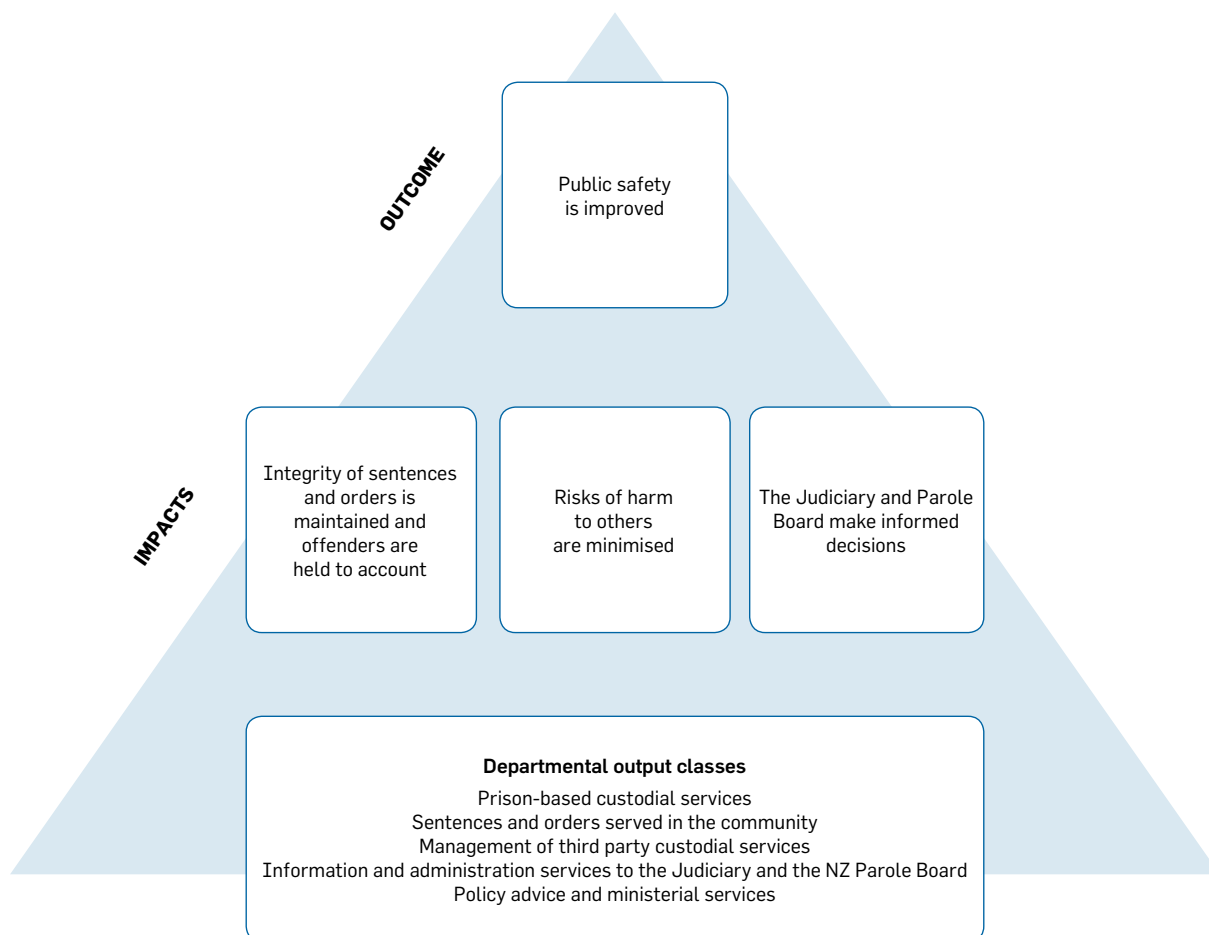
Rehabilitation and reintegration

- Measures:
- Number of prisoners commencing non-work related education
 - Average number of prisoners employed
 - Average hours worked
 - Starts and completions for rehabilitation and reintegration interventions
 - Average number of credits achieved under the NZQF
 - Total number of psychological hours and reports provided

Information and administration services to the Judiciary and the NZPB

- Measures:
- Reports (timeliness) to Judiciary and Parole Boards
 - Justified complaints from victims
 - Percentage of NZPB cases scheduled no later than 16 weeks from date of hearing

OUTCOME: PUBLIC SAFETY IS IMPROVED



Our bottom line is keeping communities safe by ensuring offenders complete the sentences and orders handed down by our justice system and are held to account if they don't.

For New Zealanders to trust their justice system, public safety must be maintained. This means that:

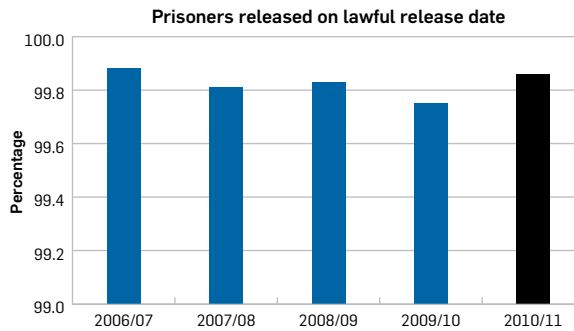
- > offenders serve the sentences and orders that they are sentenced to by the courts
- > Corrections manages sentences and orders in ways that meet the legislative requirements
- > the Judiciary and the Parole Board base their decisions about offenders on good quality information.

We demonstrate our success through:

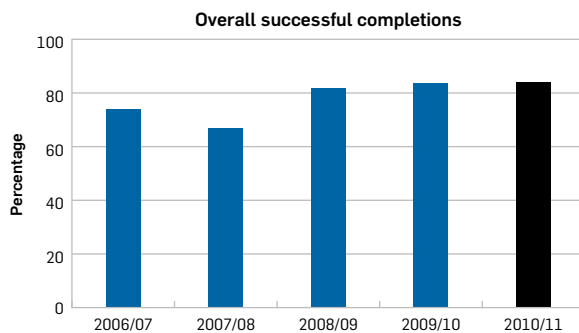
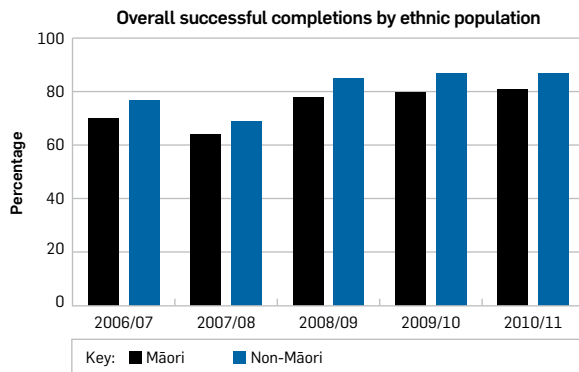
- > the rate of successful completions of sentences and orders
- > all prisoners being released on their lawfully-required release date.

OUTCOME MEASURES: Public safety is improved

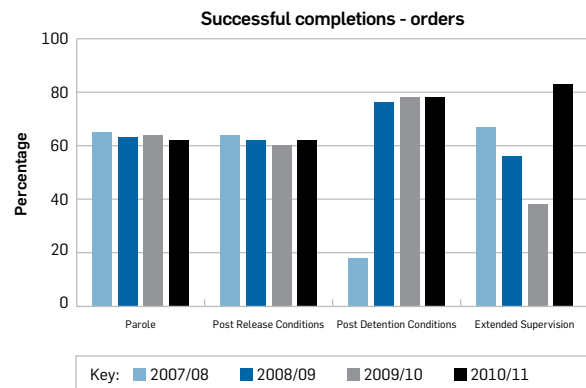
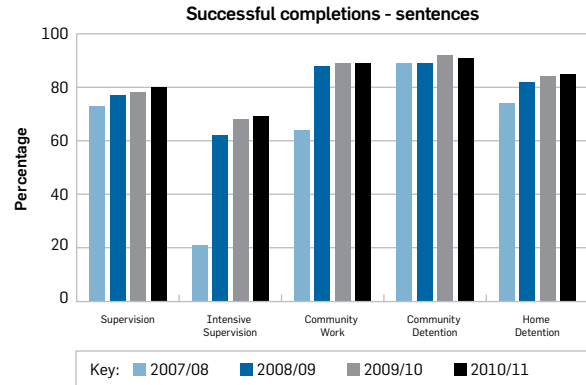
It is the Department's responsibility to ensure offenders complete the correct sentence handed down by our justice system and are held to account if they don't. The percentage of sentenced prisoners released on their lawfully required release date was 99.86 percent.²



The Department maintained the progress seen in previous years on increasing the overall successful completion rate of sentences and orders.³ There continued to be a focus on ensuring that offenders were held to account and that enforcement action was being taken when and where necessary. Encouragingly, completion rates for Māori offenders increased slightly this year, although more work remains to be done to increase the completion rate to that of non-Māori offenders.



The successful completion rate for individual sentences and orders in the 2010/11 financial year (84 percent) continued to show improvements across the majority of sentences and orders being served in the community.



IMPACT: The integrity of sentences and orders is maintained and offenders are held to account

We improve public safety by ensuring offenders comply with and complete their sentences and orders, and holding them to account if they fail to meet the imposed requirements.

Over the past year the Department has made big improvements to the way offenders are managed in the community. We have continued to fundamentally redesign probation practices, including all supporting structures, systems and tools, through the Community Probation Services' Change Programme 2009-2012. The Integrated Practice Framework was further implemented in November last year for the management of offenders on Extended Supervision Orders and Release on Conditions, and offenders on Intensive Supervision and Supervision in June 2011. The new practice framework sets clear mandatory standards that staff must follow each and every time with each and every offender.

² Prisoners are released on their required release date when the Department has not held them longer than legally entitled or released them sooner than required (unless they are released on an order by the New Zealand Parole Board or granted compassionate release).
³ Community based sentences or orders are deemed to have been completed when the sentence or order reaches its end date, or for community work, when all hours are completed. Completion of the sentence or order can be achieved regardless of whether or not the offender has been charged with a breach of their sentence or order conditions during the term of their sentence or order.

Beyond the mandatory standards, probation officers use a supporting decision framework to make professional judgements and decisions about the management of an offender based on that offender's likelihood of re-offending and risk of causing harm to others.

Since the implementation of the framework, the Department has achieved consistently high performance in complying with its mandatory standards. This year the Department achieved overall average compliance with parole mandatory standards of 97 percent.

Private sector innovation and expertise was introduced at Mt Eden Corrections Facility, exposing the corrections system to new ideas and thinking. The contract was awarded to Serco at the end of 2010 and Serco took over full responsibility for the prison from August 2011.

A new prison is proposed to be built at Wiri as a Public-Private Partnership (PPP) prison. The Department has short-listed three private-sector consortia to deliver a new 960-bed men's prison through a PPP and commenced the final interactive tender process. Using a PPP to build and operate the new prison at Wiri is expected to provide operational cost savings in excess of 10 percent during the 25 year life of the proposed contract. In addition, it is expected that transferring operational efficiencies achieved at the PPP prison across the wider prison network will result in further savings.

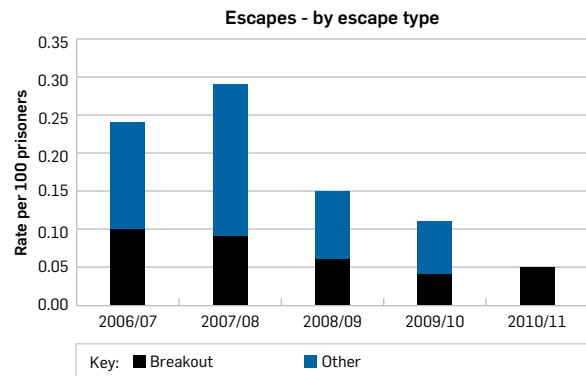
In order to ensure prisons were managed as optimally as possible, the new prison site management structure came into effect on 1 September 2010. This established the structure required to use the Department's resources more efficiently and effectively when managing offenders, and also drove a revamp of the procedures in the Prison Services Operations Manual.

This year the Department committed to addressing the negative influence that prisoners who are gang members have within prisons. We also progressed legislative and regulatory improvements to the efficiency and effectiveness of our operations.

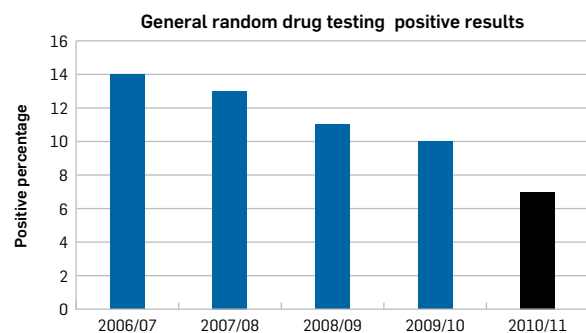
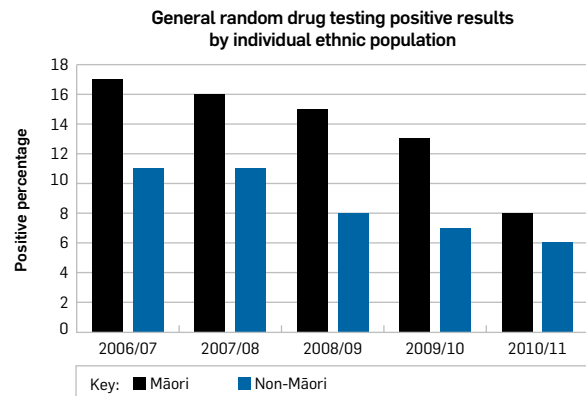
IMPACT MEASURES

The integrity of sentences and orders is maintained when corrections facilities have few escapes and minimal crime within prison (such as introduced contraband). We have continued to establish and maintain even more secure prison environments. Rates of escape from prison are at an all time low. The rate of escapes per 100 prisoners for the 2010/11 financial year was 0.05, a significant reduction when compared to 0.11 in the previous year. This year there were four escapes from custody, with only two from a prison site. For the first time since the Department was established there were no 'other' escapes, a significant achievement, particularly when

seen in the light of an average of ten 'other' escapes per year, over the past ten years.⁴ The Department continues to treat all escapes from custody seriously and every escape is fully investigated.



The stability, safety and security of prison regimes are improved by controlling or limiting the availability of contraband, notably drugs. This year the Department succeeded in reducing the availability of drugs in prison to its lowest ever level. The percentage of positive random drug tests for prisoners in this financial year was seven percent, a significant reduction compared to 2009/10 (10 percent). An especially encouraging result has been the steep decline in Māori offenders testing positive for drugs. This year's result was eight percent, down from 13 percent in 2009/10; a more substantial drop than for the overall offender population.



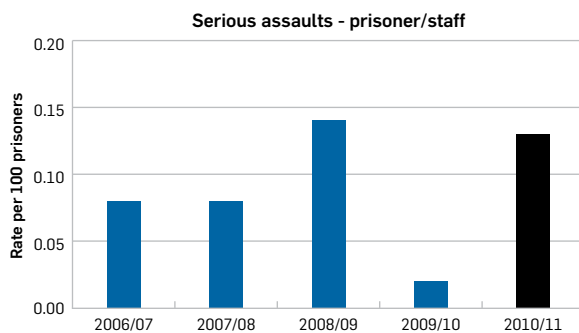
⁴ An 'other' escape is where low security prisoners walk away from their place of supervision and escape while under the supervision of officers during escorted outings including escorts to and from court.

IMPACT: Risks of harm to others are minimised

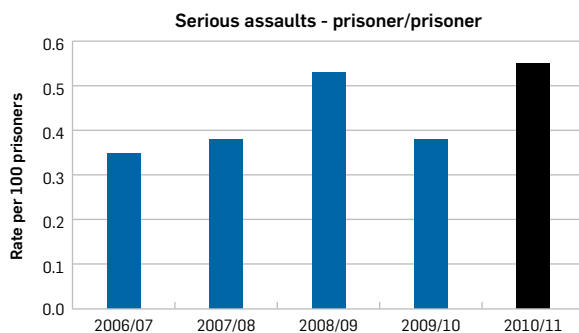
We manage offenders in ways that minimise their risk of harm to others. This means managing prisoners to prevent assaults on staff and other prisoners.

IMPACT MEASURES

There were 11 serious prisoner assaults on staff during the 2010/11 financial year. This equates to 0.13 serious assaults per 100 prisoners and represents a substantial reduction from the rate of 0.81 recorded in 1997/98, the first year that the Department captured serious assault figures.



There were 48 serious prisoner on prisoner assaults in the 2010/11 financial year. This equates to 0.55 serious assaults per 100 prisoners and represents a substantial reduction from the rate of 1.66 serious prisoner/prisoner assaults per 100 prisoners recorded in 1997/98.



Despite the significant overall decline in serious assaults seen since 1997/98, we recognise that this year's figures represent an increase when compared to the last financial year. The Department is taking the following measures to address this concern:

- > investing in our staff's ability to anticipate and resolve problems early through the active management of prisoners, as well as continuing to provide training for staff in de-escalation techniques, interpersonal skills and tactical communication.

- > providing additional personal protective equipment. This year, the operational trial of two different types of pepper spray commenced at ten pilot sites to gauge whether pepper spray improved staff safety when managing planned control and restraint incidents.
- > ensuring that prisoners are housed safely and securely through measures such as voluntary and directed segregation. In the coming year the Department will implement a revised segregation policy that will ensure better protection for those prisoners who are most vulnerable.

Analysis is ongoing to establish where there are further opportunities for us to minimise the risk of harm that prisoners pose to others.

IMPACT: The Judiciary and Parole Board make informed decisions

Proposed legislative amendments are expected to improve the Parole Board's decision-making processes and reduce delays in granting parole where appropriate. Policy work is also well advanced on a proposal that would prevent unnecessary parole hearings, reduce stress for registered victims and improve efficiency of Parole Board processes.

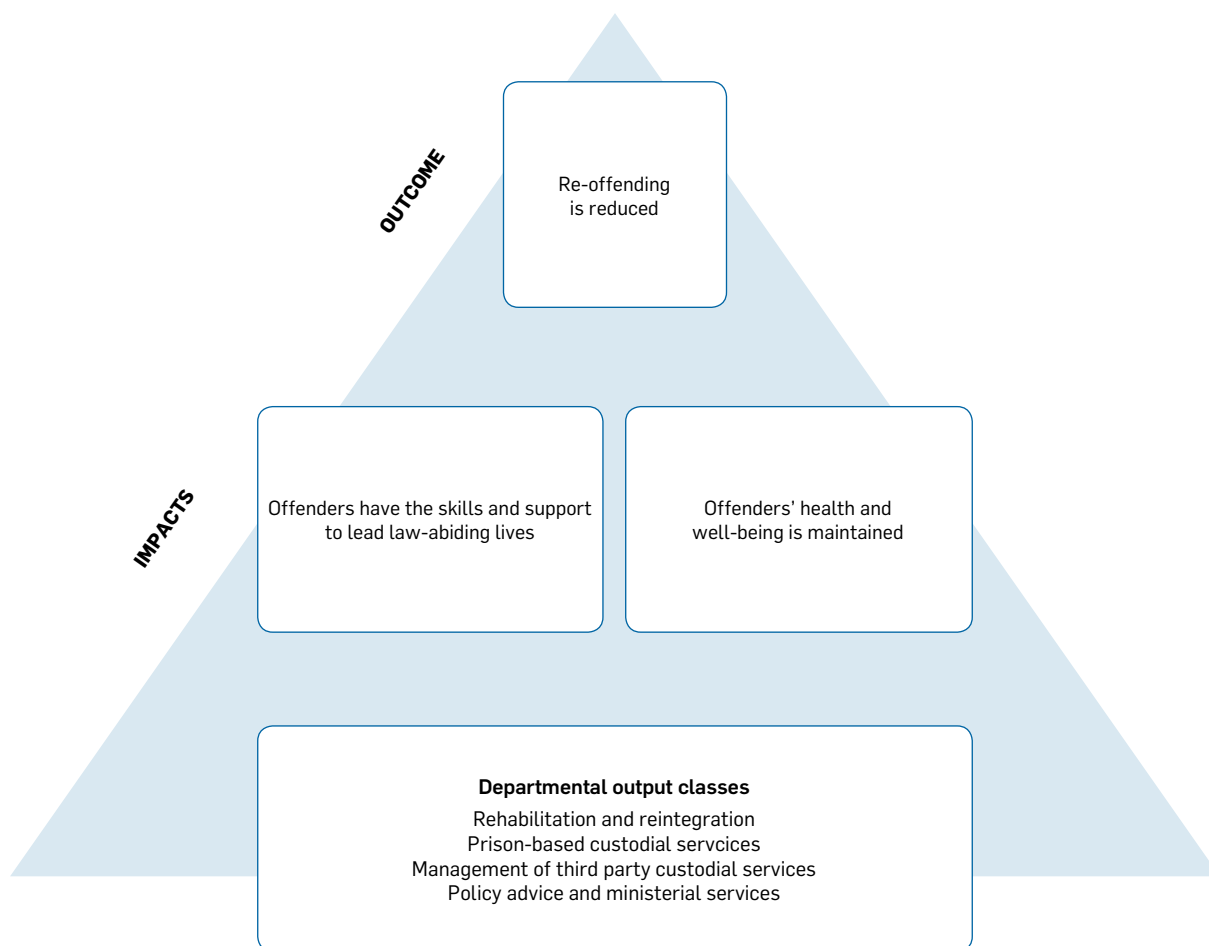
We continue to work with agencies in the justice sector towards reducing the drivers of crime, specifically in relation to improvements in the management of low level offenders. An area of particular importance is providing more opportunities for restorative justice, as well as pre- and post- release support in finding employment.

IMPACT MEASURES

The Department continued to ensure victims were notified about hearings, releases and other requested information relating to offenders. All registered victims were notified according to requirements, and there were no justified complaints about notifications from registered victims.

The Judiciary and Parole Board make decisions that are, in part, based on information provided by Corrections staff in reports at Court and Parole Board hearings. All cases to be heard by the Parole Board were scheduled no later than 16 weeks from the date of the hearing, and all offenders were notified as per Parole Board requirements. A high percentage of the probation reports, psychological reports and parole progress reports required for the Parole Board and Judiciary were provided within the agreed timeframes, with variances from the budget standard of only one or two percent. Further details about these impact measures can be found on pages 27-29.

OUTCOME: RE-OFFENDING IS REDUCED



Reducing re-offending means fewer victims. It adds significantly to the well-being of our communities when offenders become productive members of our society. This is our ultimate goal.

To reduce overall crime in New Zealand, Corrections has worked with individual offenders to provide them with skills so that they are much less likely to re-offend. Motivating and assisting offenders to adopt an offence-free lifestyle leads to less crime in the community and fewer people in prison or on community based sentences and orders.

We have placed offenders at the centre of our efforts to achieve better outcomes and strived to ensure every offender has the opportunity to have a job on release.

Re-offending is reduced when offenders:

- > undertake rehabilitation which helps them to address behaviours which contributed to their offending
- > acquire employment-relevant skills, qualifications and experience that lead to sustainable employment on release from prison
- > address reintegrative needs to enable them to reintegrate back into the community
- > have their health and well-being looked after, and are managed fairly and decently.

OUTCOME MEASURES: Re-offending is reduced

Progress towards reducing re-offending is primarily assessed in two ways: the first approach measures re-offending rates across the entire population of offenders managed in a year. The second involves more sophisticated methods to assess the specific impact of rehabilitative interventions on re-offending.

Rehabilitation outcomes

A range of programmes and services are delivered by the Department to enable offenders to lead law-abiding lives. This year, the Department is able to report results from a new rehabilitation evaluation methodology. This is designed to measure the impacts of the Department's rehabilitation services that are experienced by many of the offenders, such as employment and training (details of the methodology are provided in Appendix 2).

Results for the most recent annual cohort of offenders are given in Tables 1 – 3. Figures represent percentage-point changes in rates of either re-imprisonment or reconviction between "treated" and "untreated" offender groups. For example, a re-imprisonment score of 10 would indicate a ten percentage point difference between treated and untreated groups (where the rate of re-imprisonment amongst untreated offenders was 35 percent and the corresponding rate for the programme's "graduates" was 25 percent).

Figures in the tables indicate generally positive impacts achieved on re-offending through offenders' participation in rehabilitative activities. Drug Treatment Units continue to produce positive outcomes. Although this year's figures are slightly down on last year's, this may in part reflect the overall reductions seen in rates of re-imprisonment. This year was the first year we have been in a position to report results for Corrections Inmate Employment and those results have been positive. While moderate in size, the reductions in re-imprisonment and reconviction rates were statistically significant. In future years reporting on more fine-grained outcome information will be possible, which will enable the Department to progressively improve the delivery of this type of intervention.

The results in Table 1 are based on outcomes recorded within 12 months, for those released from prison or commencing community-based sentences, during the 2009/10 (1 April – 31 March) year.

**TABLE 1: REHABILITATION EFFECT SIZES
(12 MONTHS FOLLOW-UP)**

Intervention	Re-imprisonment (percentage point reduction)	Reconviction (percentage point reduction)
PRISON		
Medium-intensity programme	2.4	14.8*
Drug treatment units	3.0	12.4*
Māori therapeutic programme (prison)	3.5	15.0*
Short motivational programme ⁵	16.6*	21.0*
Corrections Inmate Employment training	2.5*	8.2*
COMMUNITY		
Medium-intensity programme	2.5	15.5*
Short motivational programme	4.9	2.0
Domestic violence	3.7	1.5
Alcohol & drug programmes	1.0	5.5

NOTE: Asterisks show where the difference between treated and untreated offenders was statistically significant.

Longer follow-up periods indicate the extent to which gains made from programme exposure are maintained over longer periods. The following table gives results based on outcomes, over 24 months, for offenders released from prison or commencing community-based sentences, during the 2008/09 year.

5 Provisional results only, due to a very small sample size.

**TABLE 2: REHABILITATION EFFECT SIZES
(24 MONTHS FOLLOW-UP)**

Intervention	Re-imprisonment (percentage point reduction)	Reconviction (percentage point reduction)
PRISON		
Medium-intensity programme	0.0	5.0
Drug treatment units	11.0*	10.0*
Māori therapeutic programme	3.0	0.0

NOTE: Asterisks show where the difference between treated and untreated offenders was statistically significant.

A longer, 60 month follow-up period is used for sex offender treatment because differences in reconviction rates between treated and untreated offenders do not emerge clearly until a reasonably long period of time has elapsed since release. The smaller percentage-point differences observed between treated vs untreated sex offenders is also a reflection of the relatively low base rates of new sexual offending.

**TABLE 3: REHABILITATION EFFECT SIZES
(60 MONTHS FOLLOW-UP)**

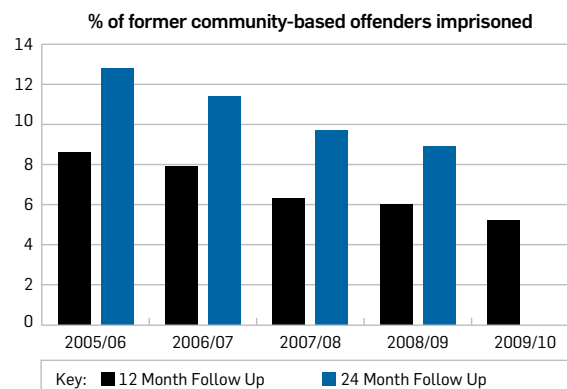
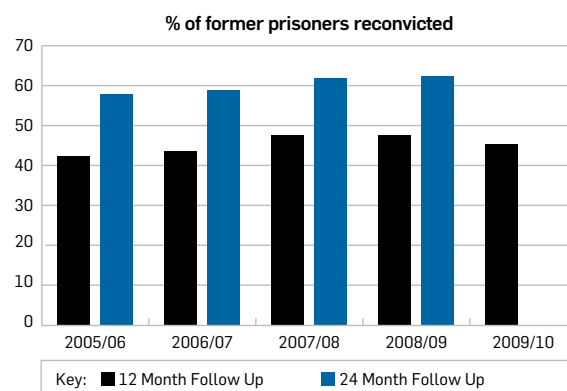
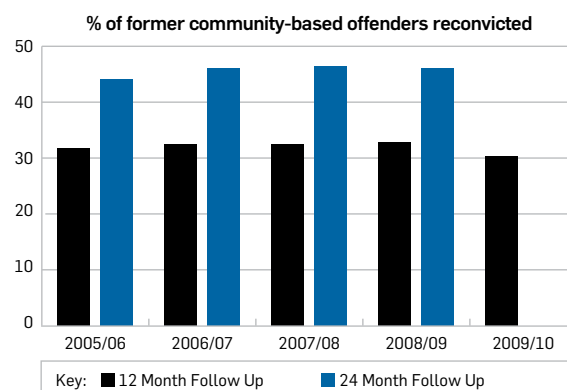
Intervention	Re-imprisonment (percentage point reduction)	Reconviction (percentage point reduction)
PRISON		
Sex offender special treatment unit	4.0	5.0

In interpreting the figures in the above table, it must be borne in mind that the main methodology used this year is relatively new, and will be further modified and refined in the coming year. More importantly, the methodology has been developed to enable outcome evaluation across a wider range of programmes and services and achieving this comes with some cost to the precision obtained through one-to-one matching of offenders (a treated offender matched with an untreated offender of equivalent risk).

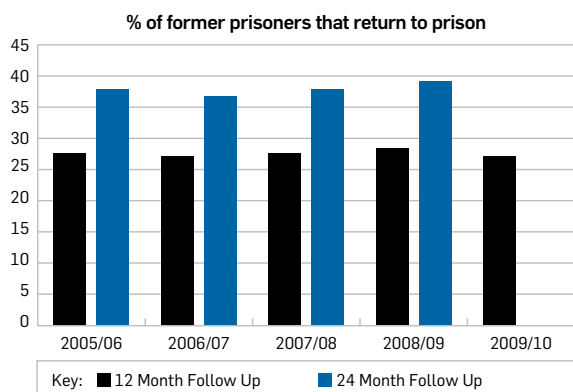
Overall re-offending rate changes

The Recidivism Index (RI) methodology assesses overall rates of reconviction and re-imprisonment, giving the percentage of all offenders managed within a single year who are subsequently re-convicted or re-imprisoned.⁶

The most recent RI figures for offenders managed in 2009/10 (with 12 months follow-up), indicate a continued fall in re-imprisonment rates amongst offenders who commenced a community-based sentence, and also a fall in reconviction rates for this group. There is also a moderate decrease in reconvictions and re-imprisonments for offenders released from prison.



⁶ A full explanation for the RI methodology can be found on pages 36 – 42 of the Department's 2004/05 Annual Report, and detailed results and analysis of the results discussed here are included at Appendix 2.



The declines in reconviction rates are encouraging, particularly amongst released prisoners, as they occur after a sequence of slight annual increases in some rates. Earlier increases were understood to reflect sentencing law changes introduced in October 2007, which diverted a proportion of lower-risk offenders from prison, with the result that average risk levels of the prison population increased. The fall in rates of reconvictions amongst community-managed offenders is likely to reflect a number of enhancements made to community offender management practices in recent years. Improvements in the quality of rehabilitative services across both populations is also expected to have contributed to the general declines in numbers returning to the system. The next section outlines these improvements in more depth.

Further details on reconviction rates are available in Appendix 2 (pages 89-94). Table 5 in the appendix provides rates as recorded within 12 months, for those released from prison or commencing community-based sentences, during the 2009/10 (1 April – 31 March) year. Table 6 provides rates over 24 months for those released from prison or commencing community-based sentences, during the 2008/09 year.

IMPACT: Offenders have the skills and support to lead law-abiding lives

Offenders typically have life-long problems, such as addiction, mental health issues, early school dropout, poor literacy, lack of employment skills and dysfunctional family relationships.

The establishment of Rehabilitation and Reintegration Services (RRS) has resulted in a more effective, offender focused service. On 1 April 2011, RRS implemented the first phase of case management. Case managers work with offenders to assess their needs in a holistic way and plan a programme of rehabilitative interventions that will improve skill development and help them address and overcome offending behaviour. By ensuring that offenders have access to seamless case management and programmes and services which help them address their re-offending, RRS will have an effect on re-offending levels. A key feature will be strengthening the effectiveness of the Department's Māori interventions.

The Integrated Practice Framework, implemented as part of the Community Probation Services' Change Programme, is now better supporting staff to manage community based offenders and to reduce their likelihood of re-offending. A new Dynamic Risk Assessment for Offender Re-entry (DRAOR) has also been introduced to enable probation officers to more effectively assess an offender's likelihood of re-offending and risk of causing harm to others. Probation officers spend more of their time working with those offenders who are medium or high risk and less time with those offenders who have a low likelihood of re-offending or risk of causing harm to others.

To further reduce re-offending amongst community-based offenders, the Department established Tai Aroha, a specialised intensive programme for offenders in the community. Tai Aroha is aimed at reducing offenders' risk of serious re-offending and increasing offenders' capacity to live in a socially responsible manner.

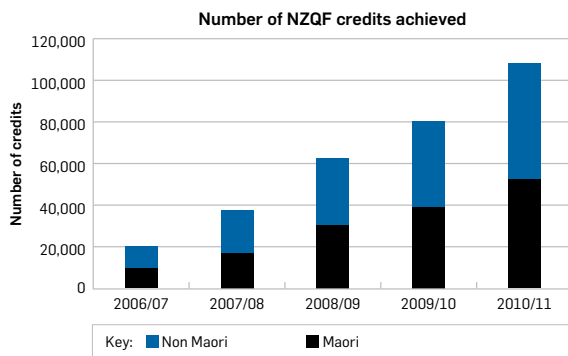
To promote prisoner access to the right rehabilitative programmes we have been addressing site configuration planning, ensuring that "the right prisoner, at the right place, at the right time, is doing the right thing". The project will identify where rehabilitative programmes, employment and other activities are best placed across multiple prison sites to ensure maximum availability to prisoners.

Due to concerns about the high correlation between gang membership and re-offending, this year the Department has been developing an approach to reduce the likelihood of re-offending by gang members on release from custody.

The Department has also made a substantial commitment to increasing the availability of drug and alcohol treatment programmes for prisoners. Two new short term drug treatment units have opened at Otago Corrections Facility and Auckland Prison. One further unit, in the Māori Focus Unit at Whanganui Prison, will be completed shortly and is scheduled to open by the end of 2011. The new drug treatment units deliver a programme that is shorter and more intensive than the existing programmes, meaning that prisoners serving shorter sentences who have traditionally not been eligible for places on the six month drug treatment programmes now have more opportunities to reduce their likelihood of re-offending.

IMPACT MEASURES

More prisoners than ever before are getting the opportunity to work and/or train across a more diverse range of employment activities. Providing employment-related education and experience so that prisoners can find work on release is a key factor in reducing the likelihood of re-offending. Overall, the Department made good progress against the 2009-2012 Prisoner Skills and Employment Strategy, with increased participation in Corrections Inmate Employment (CIE) and increased levels of New Zealand Qualifications Framework credits. On average in 2010/11, 2,865 prisoners were engaged in CIE employment at any one time. This employment-delivered training is targeted to achieve qualifications and, due to CIE instructors being better qualified, gave prisoners the advantage of receiving embedded literacy and numeracy training. This improved service was reflected in the 35 percent increase in the number of New Zealand Qualifications Framework (NZQF) credits, with 108,080 credits achieved in the 2010/11 financial year. CIE has also expanded its employment opportunities for higher security prisoners.



The Department aligns all prisoner training to the NZQF, meaning that the qualifications earned through CIE are the same as qualifications achieved by the general public at local polytechnics and on apprenticeships.

In 2010/11 CIE provided work to prisoners in over 140 industry units in prisons, covering industries as diverse as farming, horticulture, laundry, pre-cast concrete, building and catering. The allocation of credits across the various activity types shows a high proportion of Māori achievement in particular areas of training, including trade and technical training, processing, joinery and grounds maintenance. CIE also provides opportunities for prisoners to work for local employers through release to work. This helps to prepare prisoners for successful reintegration into their communities.

In addition to these activities the Department has increased prisoner participation in trade and technical training (polytechnic training delivered at prisons), self directed learning, literacy and numeracy, computer training, driver licence training, Te Reo training and schooling to National Certificate of Educational Achievement level. This ongoing approach will ensure the Department reaches the Government's commitment to see a further 1,000 prisoners gaining skills and work experience under the 2009-2012 Prisoner Skills and Employment Strategy. In support of this approach, the Department is proposing to help certain prisoners to become self employed, and as a result acquire employment experience and skills.

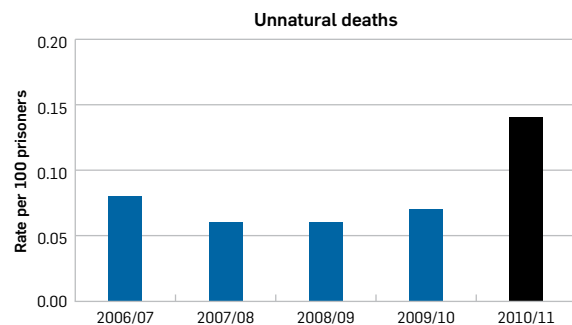
The establishment of the two Whare Oranga Ake units will assist in the reintegration of Māori prisoners. These two kaupapa Māori reintegration facilities have been established to help prisoners to participate in their community on release, and reduce the rate and/or seriousness of re-offending. Whare Oranga Ake will support prisoners in re-connecting with their culture and identity, and in addressing identified reintegrative needs, particularly employment and/or training, accommodation, community linkages and whānau relationships.

IMPACT: Offenders' health and wellbeing maintained

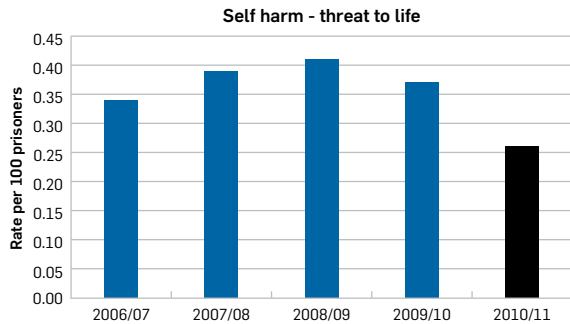
On 1 July 2011, all 20 prisons across New Zealand became smoke free. In preparing for this, our staff supported 5,500 prisoners to give up smoking through a variety of methods. Making prisons smoke free environments makes them safer places by reducing fire risks and also improves staff and prisoners' health.

IMPACT MEASURES

The rate of unnatural deaths in custody for the 2010/11 financial year was 0.14 per 100 prisoners, reflecting an increase from last year. There have been a total of 12 unnatural deaths; seven remand and five sentenced prisoners. All deaths in custody are subject to a Coroner's inquest.



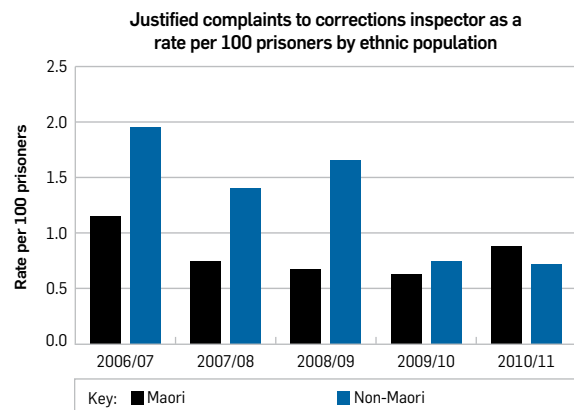
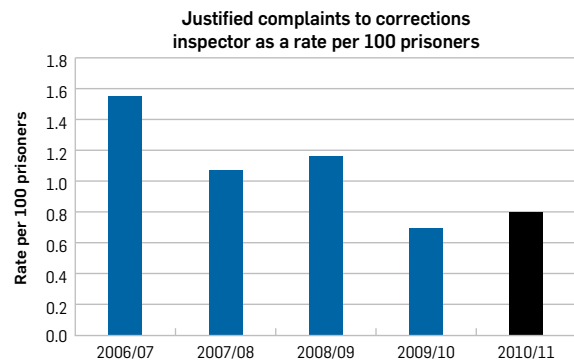
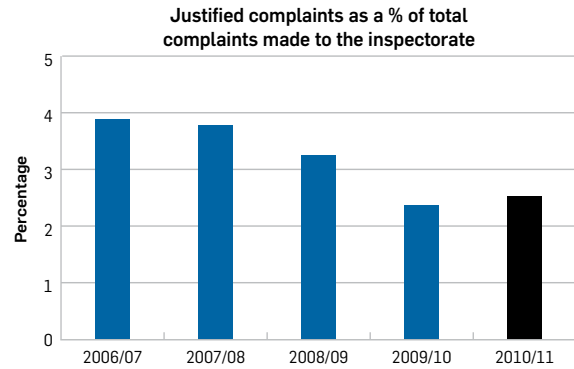
The rate of self-harm threat-to-life incidents for the 2010/11 financial year was 0.26 per 100 prisoners; a decrease when compared to last year. Self-harm threat-to-life incidents are where self-inflicted harm has occurred which does not result in death, but the intention may have been to cause a fatal outcome.



We are committed to improving the management of prisoners at risk of harm. During the 2010/11 year, Prison Services introduced a new 'at risk' assessment process and completed a review of all at risk clothing and bedding, with changes to be implemented during 2011/12. In addition, Prison Services, in conjunction with other agencies, will publish a comprehensive Suicide Prevention Strategy during the 2011/12 financial year.

The Corrections Inspectorate provides independent assurance that offenders' legitimate needs are met. It is a dedicated complaints resolution, investigation and assurance body reporting directly to the Chief Executive independently from operational line management. The Inspectorate received 2,765 complaints for the 2010/11 financial year. Of the complaints received 70 (or 2.5 percent) were justified, a slight increase on the previous year, however the overall trend is declining. Further detail can be found in Appendix 4.

Of the 70 justified complaints for the 2010/11 financial year, 30 percent relate to prisoner property, 26 percent relate to staff conduct/attitude, and 14 percent to prisoner discipline. The remaining 30 percent is made up of nine other categories. The rate of justified complaints per 100 prisoners was 0.80, a slight increase on last year. There have been no justified complaints relating to the provision of health services.



ASSESSING ORGANISATIONAL HEALTH AND CAPABILITY

To protect public safety and reduce re-offending we provided an organisational environment, culture and workforce that was closely aligned and equipped to deliver our outcomes.

The Way Forward was a three year programme of change that began in 2009 with the aim of improving Corrections' business performance and work practices. Underlying the comprehensive structural and operational changes was a fundamental cultural change. The Way Forward programme of work comprised several major programmes and projects, which were monitored and reported on as a single portfolio of initiatives.

The majority of the projects in The Way Forward programme will continue and be reported on as individual projects as part of the Creating Lasting Change strategy, and others have been closed or converted to business as usual.

The efficiency gains and value creation programme has been subsumed within the Expenditure Review, planned for the 2011/12 financial year. The review is about finding ways to provide better public value while, at the same time, ensuring the Department continues to improve its services and meet its targets of reducing re-offending and improving public safety.

The Department has established a risk and assurance framework that informs business improvement activities and the strategic planning process. This project encompassed the Department's risk management framework and the supporting assurance frameworks, how they are implemented, and how the information gathered from their resulting control activities is combined, analysed and communicated to management and fed into the business improvement processes within the Department. The Executive Team engages in regular risk management workshops and has developed a risk appetite statement and related assessment scales.

During the past financial year we have enhanced training and development, recruitment, selection and induction of staff to ensure that we have sufficient staff and capability to provide our services. This has included alignment to the Community Probation Services' Change Programme and a five year enhancing capability plan for Prison Services, along with a programme to develop senior leadership and succession planning.

At 30 June 2011 the Department employed a total of 7,285 full-time equivalent (FTE) employees; a reduction of 524 FTEs from the 30 June 2010. This was in part due to large numbers of staff being employed by the new private prison provider at Mt Eden Corrections Facility. Staff retention rates remain positive with the staff turnover rate of 8.83 percent. This continues the overall downward trend experienced over the last six years and is below the public service average. The average length of service per employee has increased to 7.76 years.

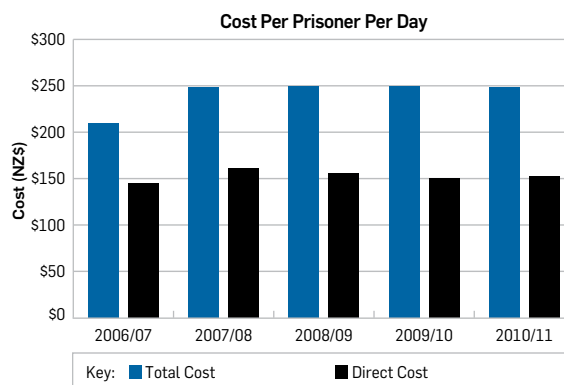
The number of FTEs (682) engaged in activity identified as core government administration was 35 percent below the cap of 1,047 FTEs, reflecting the outsourcing of some functions and a continuing focus on efficiency and effectiveness of back-office functions. The Department's cap on back-office functions is based on the establishment as at July 2009.

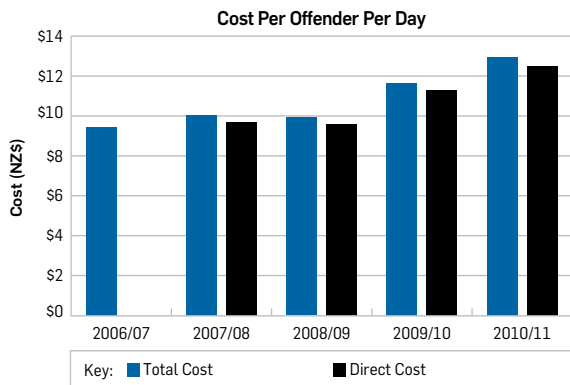
This year the Department designed and developed a new uniform based on a comprehensive review of the uniform worn by custodial staff, as part of a wider programme to develop the professionalism, capability and safety of custodial staff.

The number of work-related injuries per 100 full-time equivalent staff that gave rise to claim was 8.33 and continues a consistent reduction in the rate of injuries from 10.57 per 100 full-time equivalent staff in 2006.

COST EFFECTIVENESS

The cost per prisoner per day is for 2010/11 was \$248.83. The costs have increased since 2006/07 primarily due to the significant capital investment needed to build additional prison facilities and to upgrade existing facilities to increase capacity in line with the forecast rise in the prison population. Direct costs overall have declined in previous years as a result of efficiency gains and value creation.





The cost per offender per day has increased in comparison to last year, to \$12.95.

CAPITAL AND ASSET MANAGEMENT INTENTIONS

The Department ensured that it had adequate facilities and capacity to provide the services it is funded to deliver.

Since the Department's last report decisions taken by Government on prison procurement, combined with movements in the forecast demand for prisoner accommodation, have considerably reduced the Department's anticipated requirements for capital expenditure over the next ten years.

The Department is embarking on 'Creating Lasting Change', a new five year strategy, which, together with an Expenditure Review and the Department's involvement in the Justice Sector Sustainability Programme, aims to eliminate the requirement for additional capacity through to 2020.

This year the Department has focused on ensuring that its sites were compliant with Building Warrant of Fitness requirements. Where buildings have been modified they have been brought up to existing standards to retain compliance certification. No buildings presently leased or owned by the Department are known to be uncertified.

The Canterbury earthquakes in September 2010 and February 2011 impacted the management of offenders in the region. Prison facilities were significantly affected by the September earthquake, with the intermittent loss of utilities. The primary concern was the risk posed by the Department's inability to respond to a fire due to the loss of fire suppression capability. In response, and following close liaison with police and the military, 747 prisoners were moved to other prisons with no significant incidents.

Community Probation Services managed community-based offenders at 10 sites throughout Christchurch prior to the Christchurch earthquakes. Only three of the 10 sites remained operational immediately following the 22 February 2011 earthquake. With the need to continue monitoring offenders, camper vans were sourced and fitted with IT equipment so staff had a base to work from. The Community Probation Services' offender management report filing work was temporarily diverted to the national office until the end of March 2011. Facilities pressures in the Community Probation Service were alleviated by the opening of the new Ensors Road Service Centre in June, but the impact of the earthquake has provided ongoing challenges for our staff members. Subsequent earthquakes and aftershocks did not significantly affect our facilities.

INFORMATION TECHNOLOGY

We continue to ensure our information technology systems meet our business needs. We have improved key applications to support business operations.

The audio-visual links project was a key development in information technology over the past year. Audio-visual conferencing technology allows one or more people to participate remotely in court proceedings. For prisoners, this means appearing in court using an audio-visual link without leaving prison. The expanded use of audio-visual links by courts has potential benefits across the justice sector, including reduction in costs, improvements in safety and security, and an overall improvement in the administration of justice.



STRENGTHENING PARTNERSHIPS

We have sought to develop and strengthen mutually beneficial relationships with a wide range of partners in order to enhance the provision of services across the public service and achieve government outcomes, particularly justice sector outcomes.

The Department has continued the process of establishing Rehabilitation and Reintegration Services (RRS) as a single service for the delivery of all programmes and services. RRS cannot achieve the goal of reducing re-offending alone, so is working with partners, suppliers and other agencies that support offenders to live offence-free in their communities.

We have engaged with the wider Māori community and local service providers to establish two Whare Oranga Ake units. Mana whenua groups at both sites, Ngāti Poporo at Hawke's Bay Regional Prison and Ngāti Naho at Spring Hill Corrections Facility, were engaged early in the project. Mana whenua groups have also provided support through the council consent process. The two sites are both operational and were opened in July 2011 by the Associate Minister of Corrections.