



# 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 core purpose of the corrections system and principles under which we must operate include:

- ensuring that sentences and orders are administered in a safe, secure, humane and effective manner in accordance with rules set out in the Corrections Act 2004 and regulations based, among other matters, on the United Nations Standard Minimum Rules for the Treatment of Prisoners;
- providing rehabilitation interventions 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;
- reducing the risk of re-offending by taking into account the factors that are relevant to offenders' offending and rehabilitation when developing and providing rehabilitative interventions and services, and also in the sentence planning and management of offenders;
- providing the judiciary with information to assist judges in sentencing decisions and providing administration support and information to the Parole Board to assist in parole decisions; and
- notifying registered victims of crime, of information requirements as set out in the Victims' Rights Act 2002. Also referring registered victims 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 we must operate.

## MANAGING IN A CHANGEABLE OPERATING ENVIRONMENT

At the beginning of the year, the following environmental factors were listed as likely to affect our working environment over the medium to long term. On reflection, the majority of these expected factors have had an effect on our working environment throughout the year and will continue to do so for some time.

There has been continued growth in both community-based offender and prisoner numbers. Particular growth has been evident in the number of youth and female offenders being managed.

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 continued re-offending and re-imprisonment. Reducing re-offending by Māori offenders remains a high priority.

Police crime statistics<sup>1</sup> confirm that the growth in the rate of violent crime has continued, including the growth in the number of young offenders behaving violently. A large proportion of offending has continued to be committed under the influence of drugs or alcohol. The continued proliferation of gang affiliates and gang-related crime has also increased the threat of organised crime within prisons as well as in the community.

The average age of prisoners has continued to increase. This has resulted partially from longer sentences being served, but also from a pattern of recidivist offenders continuing to re-circulate in the system for longer. This shift will have implications for the design and delivery of rehabilitation interventions.

There has been continued fiscal restraint across the public sector due to the international financial downturn and its impact on the New Zealand economy. Although this is easing, costs of providing correctional services are projected to increase over the next decade as the offender population continues to increase.

<sup>1</sup> <http://www.police.govt.nz>

## STRATEGIC DIRECTION

Anticipating these environmental factors has allowed us to successfully respond to them in the medium term. In summary, our Government priorities and major strategic deliverables over the year included:

- utilising additional funding received through Budget 2009 to manage the increase in volumes while improving the quality of the management of community-based offenders in a manner consistent with public safety;
- continuing to ensure adequate prison capacity to meet the immediate and longer term growth in demand. This has included looking for opportunities for innovation and improvements in the way prisons are managed and operated through private-public partnerships and contract management of prisons;
- improving staff safety through a number of initiatives. There has been a significant drop in razor blades being used as weapons and for self harm since being banned, additional staff safety equipment is available in all prisons, and enhanced training has been provided to staff;
- enhancing our approach to the management of community-based offenders through the Community Probation Services Change Programme which focuses on managing offenders so that they comply with their sentences and orders, reduce their likelihood of re-offending and minimise their risk of harm to others;
- working to implement more effective and offender focused rehabilitative and reintegrative interventions through the establishment of the new Rehabilitation and Reintegration Services group. This includes continuing to progress the Government's goals of doubling the availability of drug and alcohol treatment services and increasing employment-related education and experience activities for offenders;
- continuing to work towards succeeding with Māori in all aspects of our work. In particular, we have moved towards providing services that better support Māori prisoners to re-connect with their culture and identity, and address their reintegrative needs through a Whare Oranga Ake model; and
- implementing The Way Forward, a three-year performance improvement programme focusing on continuous improvement and building organisational efficiency and effectiveness to deliver better services for less.

## OUR OUTCOMES FRAMEWORK

Our work contributes to the justice sector end outcome of a 'safe and just society' whereby there are '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; and
- Trusted justice system.

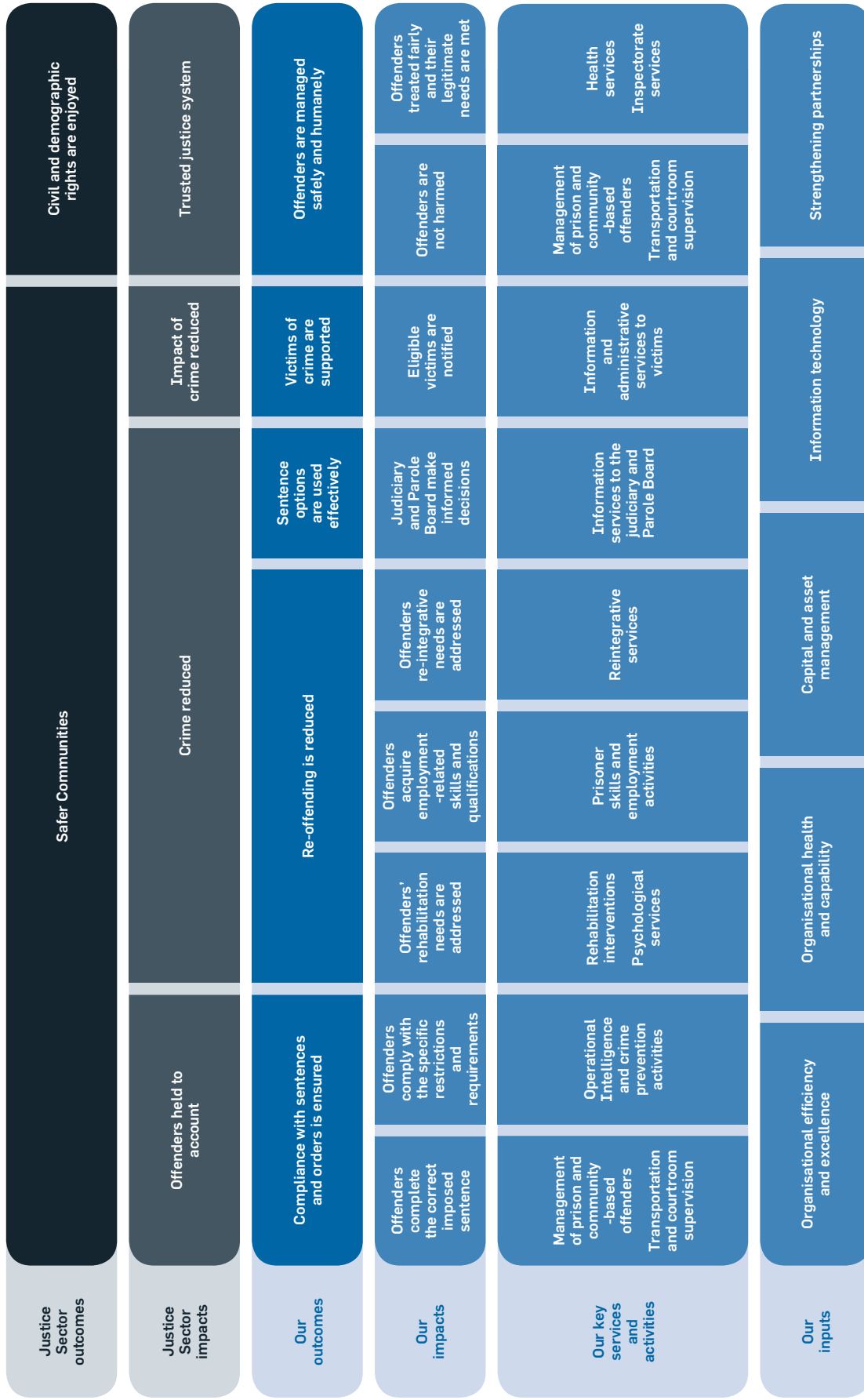
Our outcomes explain what we aspire to achieve for society over the long term. They underpin our core purpose which is to protect public safety. Our work contributes to the following five outcomes:

- 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.

Our outcomes framework demonstrates how the services we provide contribute to our long-term outcomes. It outlines how the resources we have used to provide services contribute to the long-term achievement of our outcomes. It helps us to understand how what we do positively contributes to society.

The following sections explain in detail how what we did contributed to achieving these outcomes.

# DEPARTMENT OF CORRECTIONS OUTCOMES FRAMEWORK



**Please note:** This diagram is a rational representation of our outcomes framework within a strategic context, which in practice will be iterative and complex. It provides a simplistic outline of the relationship between our key services and activities and their impact towards achieving our strategic outcomes.

## COMPLIANCE WITH SENTENCES AND ORDERS IS ENSURED

Ensuring sentence and order compliance is one of our most fundamental duties and is critical to the integrity of sentences and orders and public safety. Offenders are held to account if they do not complete their sentence or order, or comply with restrictions. Compliance with sentences and orders is ensured when:

- offenders are positively motivated to successfully complete the sentence and order;
- offenders comply with the restrictions and requirements of the sentence and order, experiencing appropriate consequences when they do not comply; and
- staff are vigilant and hold offenders to account for their breaches of sentences and orders.

### Impact: Offenders complete the correct imposed sentence and order

Over the past year, there has been continued growth in the volume of sentences and orders served in the community. We continued to significantly improve the performance of the work we do in the community following a report released by the Auditor General in February 2009 on the management of parolees which highlighted some major shortcomings in the way that we complied with our procedures for managing parole.

In immediate response we obtained additional funding in Budget 2009 to recruit 258 probation officers to both manage the growth in community offender volumes, and to improve the quality of management of parole and home detention. By June 2010 these staff had been recruited. Over the past year, we have also implemented all 46 actions identified in the Plan to Improve Compliance with Managing Parole Orders, and completed all recommendations from the Auditor General's report.

During the latter part of 2009, we began a fundamental redesign of how probation services are delivered, starting with the management of each of the nine sentences and orders that apply in the community and being extended to include our provision of information and reports to the judiciary to inform sentencing decisions and parole decisions. This is part of a three-year Community Probation Services Change Programme 2009-2012. The first of the changes was the new integrated practice framework for the management of offenders on parole which was implemented on 31 March 2010. The framework was extended to home detention sentences and post detention conditions on 1 July 2010.

These changes will focus more firmly on managing the offender rather than only focusing on the sentence. The new design will also more effectively target service delivery towards those offenders that have a high likelihood of re-offending and represent a high risk of harming others. At the same time we will continue to ensure that all offenders comply with sentences and orders and are held to account for not doing so. A core focus for the programme is to work more effectively with Māori offenders.

During the year significant improvements have been made in staff compliance with procedures across all sentences and orders. In June 2010 overall compliance with procedures was 90 percent, an increase from 79 percent compliance in September 2008. Compliance rates for parole regularly achieved above 90 percent in the three months preceding the implementation of a new integrated practice framework. Following the implementation of the new practice framework for managing parole, compliance rates against the new mandatory standards achieved an average of between 93 and 95 percent, a significant achievement given the newness of the framework.

Improvements in performance and implementation of the change programme have occurred at the same time as we were absorbing the impact of volume increases over and above funded levels.

### Impact: Offenders comply with the specific restrictions and requirements of the custodial and community sentence and order

Ensuring offenders are held to account and comply with specific restrictions and requirements is critical to ensuring the safety of the public, our staff and other offenders.

We have improved our management of sentences and orders served in the community by:

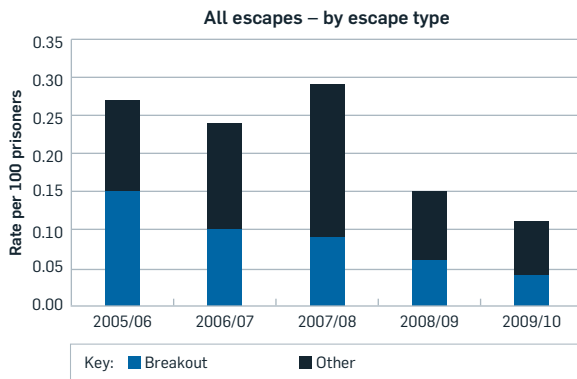
- implementing a dynamic risk assessment tool to understand offender risks better and assist staff to hold offenders to account and ensure they experience appropriate consequences when they do not comply; and
- looking to enhance electronic monitoring systems and processes by implementing the new contract(s) for the provision of electronic monitoring services for home detention, parole, and extended supervision.

Successful completions show improvements across the majority of sentences and orders served in the community. The overall successful completion rate was 84 percent compared to 81 percent in the previous year.

We have continued to establish and maintain secure prison environments, including emphasising staff vigilance in holding prisoners to account. This includes:

- maintaining a combination of management practices, physical security features and systems commensurate with the risk related to prisoners' security classification; and
- enhancing security classification systems for male, female and youth so we can more effectively predict the risk of escape, and improve the way violent and disruptive young male prisoners are managed.

These measures have contributed towards achieving the lowest rate of escapes per 100 prisoners ever. The rate of escapes per 100 prisoners was 0.11 compared to the 0.15 in the previous year. This includes three breakout escapes and six 'other' escapes compared to five and seven in the previous year, respectively. These improvements are even more apparent when compared to the overall rate ten years ago when it was 0.70 per 100 prisoners. We treat all escapes from custody seriously and every escape is fully investigated and reported against.



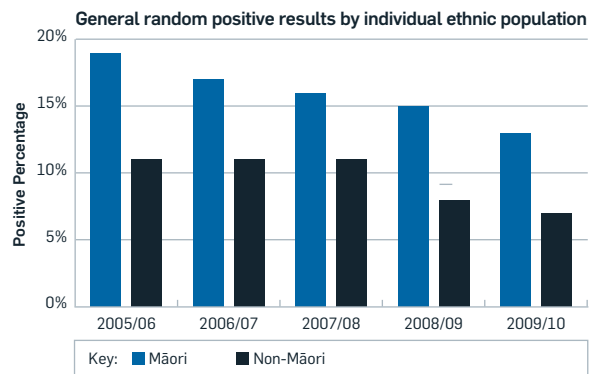
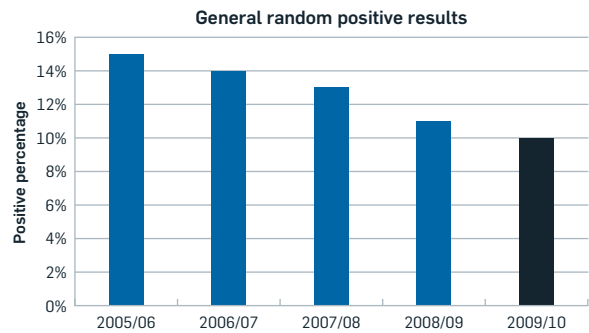
We have reduced the impact of crime through operational intelligence activities to ensure prisoners cannot commit or initiate offences from within prisons. Activities include:

- undertaking crime prevention activities such as cell phone jamming, telephone monitoring and sharing crime intelligence with external agencies to deter the likelihood of criminal activity occurring;
- controlling or limiting the availability of contraband, notably drugs; and
- minimising the detrimental impact gangs can have on maintaining a safe, secure and humane environment for staff and prisoners.

This is in addition to other initiatives such as improved prison security, improvements to prisoner and visitor

screening procedures and enhanced use of drug dog detection teams that reflects the ongoing focus being applied by the Department in ensuring that prisoners comply with their sentences.

These activities have resulted in charges being laid against a number of prisoners who have conducted criminal activity from within prison and the exclusion of visitors who have tried to bring contraband (including drugs) into prisons. Reducing the supply of illicit drugs entering prisons has contributed to us achieving the lowest ever rate of positive general random drug tests – ten percent in 2009/10 compared to 11 percent for the previous year. This improvement is stark when compared with the rate of positive general random drug tests of 35 percent in 1998 when the random drug screening testing began.



## RE-OFFENDING IS REDUCED

The likelihood of re-offending is reduced when offenders engage in a process of change which includes reducing the severity and frequency of their re-offending, with the ultimate goal of living a crime-free lifestyle.

The likelihood of re-offending is reduced when offenders:

- are assisted to address and resolve their rehabilitative needs which contribute to their offending;
- acquire employment-relevant skills and qualifications that lead to sustainable employment following their release; and
- address their reintegrative needs to enable them to reintegrate back into the community.

### Impact: Offenders' rehabilitative issues are addressed

With the changing nature of offences and sentence lengths, we have continued to increase the provision of rehabilitative interventions that best address the rehabilitative needs of offenders. The majority of eligible sentenced prisoners participate in some form of rehabilitation intervention, dependent on case management criteria.

We have focused on enhancing our approach to the provision of rehabilitative interventions and increasing the availability of those interventions that best address and resolve the causes of offending. As part of this new approach, we have:

- established Rehabilitation and Reintegration Services as a single mechanism for the delivery of all interventions and services. The new service will refine the approach used with offenders to ensure the most appropriate interventions are delivered at the best time across an offender's sentence. Continued focus will be on succeeding with Māori to reduce re-offending. This revised approach will be implemented over the next three years.

We have improved methods for monitoring and evaluating results to ensure we provide the most efficient and effective interventions that best address and resolve the causes of offending. This includes:

- improving our ability to determine the overall impact on reducing re-offending by developing a new rehabilitation quotient measure. The new measure now has the ability to capture changes in the frequency and seriousness of re-offending and in re-offending of specific offence types; and

- more effectively informing resource decisions through the development of a comparative measure of the effectiveness and efficiency of all interventions towards reducing re-offending.

We have increased the provision and availability of those interventions which best address the rehabilitative needs of individual offenders, specifically drug and alcohol dependencies. This includes:

- making significant progress towards the Government's plan to double the number of prisoners who are able to receive drug and alcohol treatment services to 1,000 by 2011. A new 60-bed Drug Treatment Unit was opened during the year that specifically targets short serving prisoners for the first time. A further two units are scheduled for opening in the coming year; and
- working primarily with the Ministry of Health to reduce barriers to assessing and treating offenders in the community with drug and alcohol dependencies. This will better identify and reduce the barriers between the health and justice sectors and between regions to providing alcohol and drug treatment to offenders.

The increased provision and active management of prisoners to encourage participation in rehabilitative interventions has already led to a 13 percent increase in the number of prisoners participating in drug and alcohol treatment services compared to the previous year. A total of 562 prisoners commenced a drug and alcohol treatment programme compared to 499 in the previous year.

For community-based offenders, there has been a marked increase in the number of offenders who participate in community-funded interventions, in particular domestic violence programmes. The major contributing factor to this increase has been the impact of public awareness campaigns, family violence courts and judicial behaviour and the increased number of offenders with special conditions who are required to attend. The increased number of offenders starting a community-funded intervention has resulted in the total number of hours offenders attend these interventions exceeding the budget standard by 38 percent.

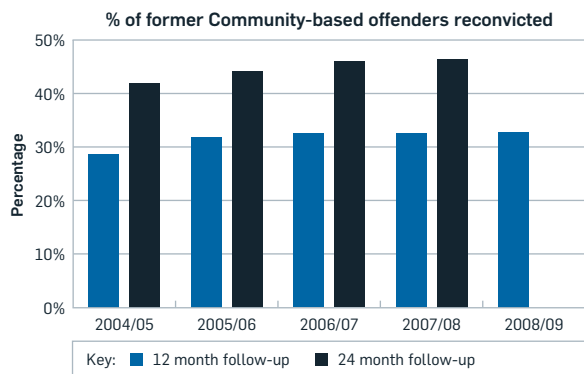
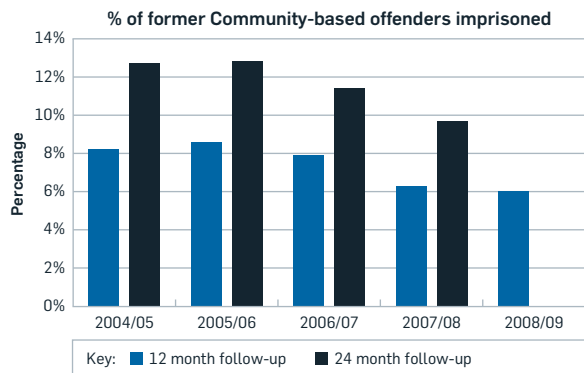
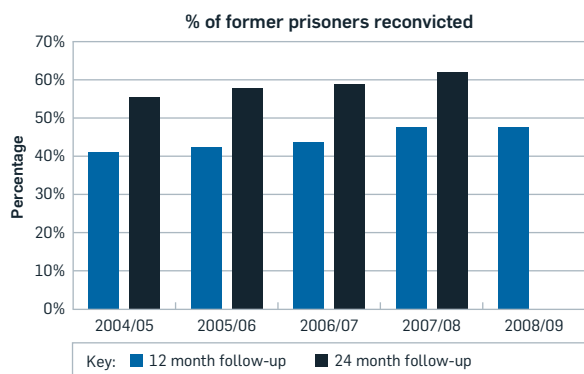
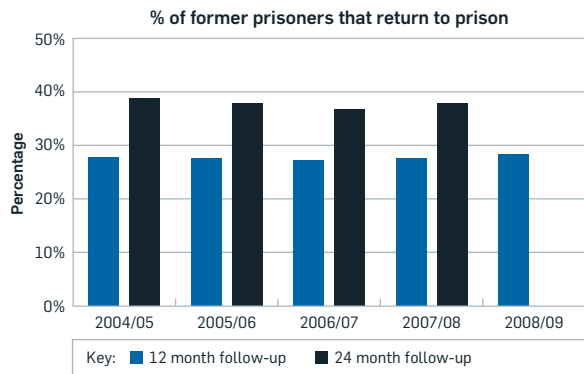
The rehabilitation quotient methodology assesses the impact of our major rehabilitative interventions toward reducing the likelihood of re-offending. It compares the rates of reconviction, re-imprisonment and seriousness of reconviction of offenders who received a rehabilitative intervention with similar offenders who had no such exposure. The most recent results are positive, indicating measurable reductions in re-offending amongst offenders who completed these rehabilitative interventions.

The results for the drug treatment units are particularly favourable, indicating impacts on recidivism that are equivalent to best-practice achievements internationally in correctional rehabilitation. Māori offenders achieved particularly good outcomes through participation in drug treatment units, which is encouraging given the longstanding need to address over-representation.

Though slightly less pronounced, results for the prison medium-intensity programme are also very promising. These results reflect a period of delivery during which this programme was rapidly expanded across the country, which suggests that, once fully bedded in, these programmes will also reliably produce significantly positive outcomes.

The recidivism index methodology assesses rates of reconviction and re-imprisonment which continue to remain high. The most recent reconviction rates recorded for those released from prison indicate a slight increase in reconvictions and re-imprisonments compared to previous results. This change may reflect a continuing impact from sentencing law changes introduced in October 2007. This had the effect of diverting a proportion of lower-risk offenders from prison, with the result that average risk levels of the prison population increased.

For the second year in a row a moderate fall was recorded in imprisonment rates amongst offenders who commenced a community-based sentence. This is understood also to be a consequence of judges making extensive use of the new community sentences of home detention, intensive supervision and community detention, in place of imprisonment. Introduction of these sentences has been associated with a significant increase in the population of offenders managed in the community in the last two years. Further analysis of rehabilitation quotient and recidivism index results are included at Appendix 1.





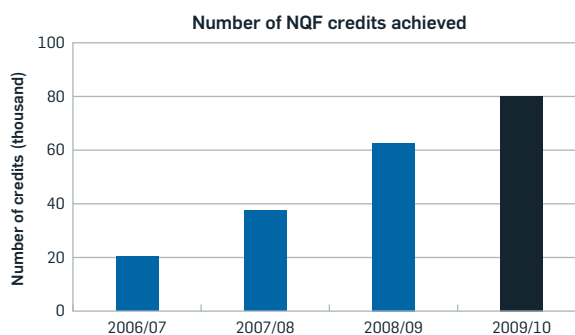
## Impact: Offenders acquire employment-relevant skills and opportunities

Providing employment-related education and experience so that prisoners can find work on release is a key factor in reducing their likelihood of re-offending.

We have increased the number of prisoners participating in employment-related training and employment experience to those whose needs are highest, particularly for Māori. We have also increased the level of skills achieved by each prisoner. Work in this area includes:

- making significant progress towards the Government's plan to expand the number of prisoners gaining skills and work experience on any given date by 1,000 by 2012. An average of 4,377 prisoners participated in employment and training activities in 2009/10, compared to 4,061 in the previous year. We have specifically targeted increasing Māori participation in employment activities;
- increasing the number of offenders participating in literacy and numeracy education through classroom and workplace activities. In line with the Government's goal, the number of prisoners undertaking literacy and numeracy education has increased with 1,496 prisoners participating in literacy and numeracy education in 2009/10, up from 1,300 in the previous year. Overall, a total of 3,501 prisoners commenced literacy and numeracy training compared to the budgeted standard of 2,514; this also includes those prisoners who commenced self-directed learning; and
- four Corrections Inmate Employment Instructors have undertaken the National Certificate in Adult Literacy Education and a further 56 Instructors will be up-skilled in this way over the next two years. This training will enable them to embed literacy training within on-the-job trade training.

There was also a 28 percent increase in the number of National Qualifications Framework credits achieved compared to the previous year, or a total of 80,199. A focus continues to be increasing participation of Māori in employment and educational activities. The allocation of credits across the various activity types shows a higher proportion of Māori to non-Māori in particular types of training; catering, grounds maintenance and forestry. The average number of credits achieved by prisoners learning industry-based skills under the National Qualifications Framework through Corrections Inmate Employment was 27 credits per prisoner.



## Impact: Offenders' reintegrative needs are addressed

The large majority of prisoners will one day rejoin the community. Reintegrating prisoners successfully back into the community is a key way we help to reduce re-offending.

In 2009/10, 11,905 offenders received reintegrative support from Prisoners' Aid and Rehabilitation Societies (PARS), an increase of 1,377 prisoners from the year before. Almost 75 percent of offenders identified they were seeking assistance with accommodation and/or financial needs. The Department's national contract with NZPARS was terminated on 31 March 2010 and replaced with eight six month regional contracts (1 April – 30 September 2010) with PARS. A national tender is being prepared for the delivery of reintegrative support in the future.

The Montgomery House intensive residential programme has been rewritten. Now called Tai Aroha, the new programme for community-based offenders at high risk of re-offending began in August 2010.

Initial work has also begun on Whare Oranga Ake which will be implemented in June 2011. Two whare, each eventually housing 32 prisoners at Spring Hill Corrections Facility and Hawkes Bay Regional Prison, will provide reintegrative support within a tikanga Māori environment, engaging the wider community, whanau and iwi in helping prisoners to live an offence-free lifestyle. Community support networks will provide prisoners with assistance with housing, education and employment and with addressing health needs. The whare will build on the successes achieved over past years by the five Māori Focus Units in prisons.

## SENTENCE OPTIONS ARE USED EFFECTIVELY

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 Parole Board to make appropriate decisions.

### Impact: The judiciary and the Parole Board make informed decisions

There has been a 38 percent higher demand than expected for the provision of probation reports to support sentencing decisions. This growth over the past year was primarily driven by increases in resolutions by prosecution and subsequent flow of work through the court system. Information services and administration services to the Parole Board were also higher than expected.

We have improved processes for the provision of information designed to assist the judiciary and Parole Board make the most informed decisions possible. This includes:

- working towards removing legislative barriers to the effective and efficient operation of the corrections system. We have proposed that the Corrections Administration (Effectiveness and Efficiency) Bill include a provision for pre-sentence reports to be submitted before a court may sentence an offender to home detention or community detention; and
- supporting the Parole Board to streamline and increase the efficiency of its processes, especially regarding the supply of information and support to Parole Board members at parole hearings.

## VICTIMS OF CRIME ARE SUPPORTED

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.

### Impact: Eligible victims are notified

There have been fewer victim referrals than expected during the year, with a total of 537 referrals from the Police compared to the estimated 600. We have continued to ensure registered victims of crime are supported by providing information in accordance with the Victims' Rights Act 2002 and by referral to specialist support organisations to assist them with the distress related to their victimisation.

We have continued to support justice sector-led proposals to enhance victims' rights and their role in criminal justice processes. This includes amending the Victims' Rights Act 2002, to improve the responsiveness of government agencies across the sector towards victims of crime, and meeting objectives for victims.

There have been no justified complaints from those victims who have chosen to register on the Victims Notification System.

## OFFENDERS ARE MANAGED SAFELY AND HUMANELY

A trusted justice system is maintained when offenders are managed safely and humanely by ensuring they are not harmed, that they are treated fairly and their legitimate needs are met. In particular, offenders are managed safely and humanely when they:

- are managed in a safe, secure, humane and effective manner;
- are treated fairly and have their legitimate health, physical, cultural, spiritual and social needs met.

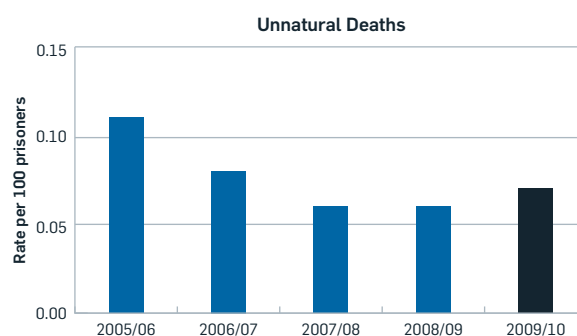
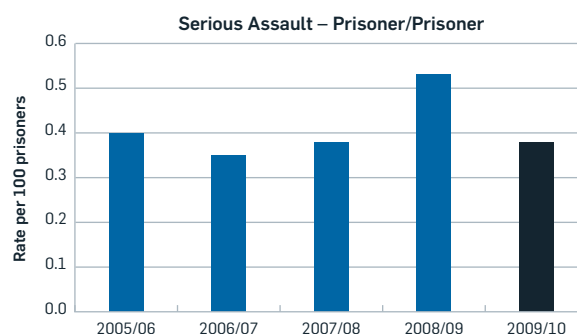
### Impact: Offenders are not harmed

The growth in prisoner numbers and the increase in the number of violent prisoners we manage has emphasised the need to ensure a safe and secure environment is maintained in order to prevent prisoners and staff from experiencing harm.

Recently, we have enhanced processes and practices that ensure an environment that more effectively minimises the likelihood of self harm or harm to others. This includes:

- providing prison staff with training in de-escalation techniques and tactical communication to help staff communicate with prisoners to minimise the occurrence of incidents, and to help de-escalate incidents when they do occur. Most custodial staff have completed training;
- restricting access to razor blades for at-risk and high security prisoners to minimise razor blade-related incidents in prison. From its introduction the razor policy has resulted in a 62 percent drop in incidents where blades have been fashioned as a weapon and a 45 percent reduction in incidents where blades have been used to self harm; and
- piloting the introduction of a new system for assessing prisoners who are at risk. The system provides an improved method of identification and options for management of prisoners who are at risk.

Within prisons, there has been a 26 percent reduction in serious prisoner on prisoner assaults (32 serious assaults compared to 43 in the previous year). There were six unnatural deaths during the year, which were all apparent suicides. The rate of unnatural deaths has declined since 2005/06 despite continued growth in the prison population. This is a result of staff awareness and the active management of prisoners who are assessed as being at risk of self harm.



## **Impact: Offenders are treated fairly and their needs are met**

One of our core roles is maintaining offenders' right to fair treatment and ensuring their legitimate needs are met.

One legitimate need for prisoners is access to appropriate levels of health services that are comparable to those available to the general population. Last year approximately 23,000 prisoners received a health screening upon reception and we provided ongoing treatment and care through 230,479 consultations with a doctor or nurse.

In June 2010, it was announced that prisoners will be banned from smoking in prisons across New Zealand, effective from 1 July 2011. Over 60 percent of prisoners smoke, and toxins from smoking within prisons are at levels up to 12 times higher than in residential homes with a smoker<sup>2</sup>. Smoking-related products, such as lighters, are frequently used to start fires by prisoners. Therefore, a smoking ban will improve the longer-term health of prisoners, and make prisons a healthier and safer place to work. Over the next year support will be provided to staff and prisoners to help them quit smoking.

We recently joined our justice sector partners in linking to the Crimestoppers line which will replace the existing 0800 JAIL SAFE number that was provided to prisoners and their visitors. The purpose of the line is to encourage prisoners to report knowledge of criminal activity anonymously. This will contribute to a safe and secure environment within prison and in the community.

The Corrections Inspectorate provides an independent assurance that offenders' legitimate needs are met. It is a dedicated complaints resolution, investigation and assurance function reporting directly to the Chief Executive independently from operational line management. Only two community-based complaints to the inspectors were received during the year, neither of which were upheld. There was also a decrease of 13 percent in the number of prison-based complaints to the inspectors with only 2.3 percent of these complaints upheld.

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2 *Ministry of Health Survey 2005*

## ASSESSING ORGANISATIONAL HEALTH AND CAPABILITY

To deliver on our outcomes, it is important that we manage our resources in ways that deliver the best value possible, establish an organisational culture that promotes innovation and performance, and work together in ways which are supportive and effective.

### Organisational efficiency and excellence

The Way Forward, a three-year performance improvement programme has focused on continuous improvement and building organisational efficiency and effectiveness. Our key performance improvement actions are included under the umbrella of this programme of work. The overall goals are:

- building a sustainable organisation;
- creating a culture change; and
- achieving operational efficiency and developing better ways of working.

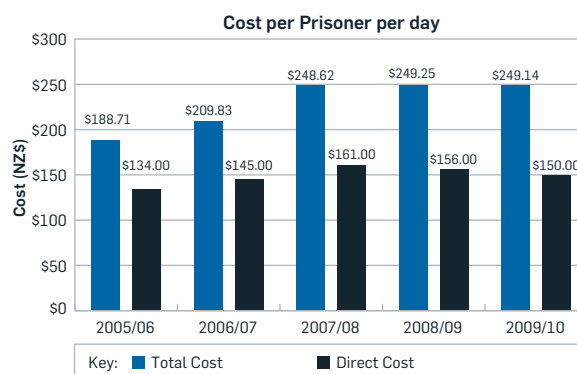
This was the first year of The Way Forward programme. We have implemented initial business systems and organisational structural changes to enable us to be better placed to deliver on our outcomes and deliver operational efficiencies. Initial efficiency gains and value creations include:

- absorbing the impact of growth in the offender population over and above that of existing resource levels through the efficiency gains created from performance improvements;
- outsourcing facilities management and information technology functions to ensure facilities and support services keep pace with the growing number of offenders and operational service needs; and
- initial efficiency gains from a site management review examining the prison site-based management structure by looking at the breadth and depth of management roles to ensure prisons have the structure required to address risks and meet future demand.

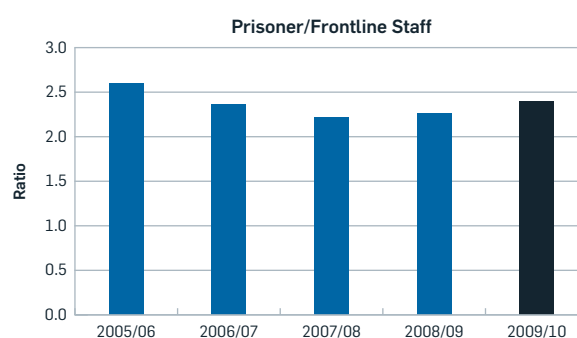
Initial efficiency gains and value creations of \$26.37 million have been realised through a number of initiatives, resulting in savings being reprioritised to fund other performance improvement initiatives and programmes. Other savings, in particular the transfer of the Prison Services Uniform Project to 2010/11 and the non-utilisation of Disaster Recovery funding, have contributed to an overall under spend of \$25.8 million. This has all been achieved while absorbing increases in demand at the same time as maintaining the quality of service.

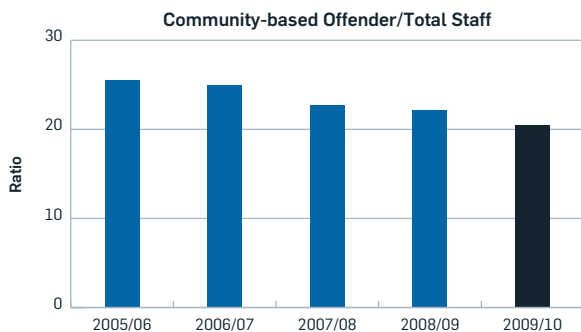
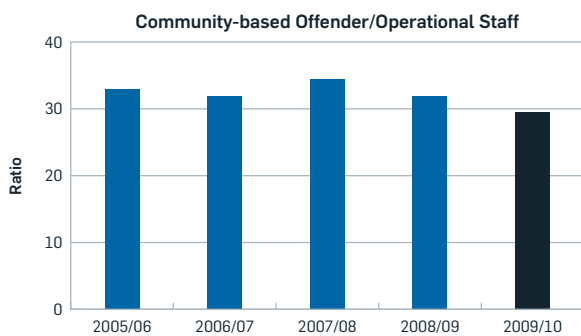
### Cost effectiveness

As expected, the cost per prisoner per day has increased to \$249.14 compared to \$188.71 in 2005/06. This increase is due to the operating cost implications of the significant capital investment in these years needed to build additional prison facilities and to upgrade existing facilities to increase capacity to meet the forecasted rise in the prison population. However, direct costs have continued to decline over recent years as a result of efficiency gains and value creations as mentioned above, combined with a higher than usual increase in the prisoner population. Due to the complexity of each of the nine different sentences and orders now available and the potential for combinations for sentences, it is not possible to calculate a cost per community-based offender by sentence.



The ratio of frontline staff to both prisoners and community-based offenders has remained consistent with growth in the offender population. Lower frontline ratios allow more interaction and active management of offenders.





We have also continued to participate in various international correctional forums for communicating appropriate New Zealand standards and learning in offender management. We shared information to benchmark a range of its indicators to build continuous improvement and cost effectiveness.

## Building people capability

Shifts in the nature of offences, changing demographics of offenders and a continued growth in the offender population have placed increasing demand on the capability and number of our staff required to manage offenders. We are expected to be the largest government department in the next two to three years; currently employing 7,809 full-time equivalent staff as at 30 June 2010.

Significant progress was made on multiple initiatives designed to enhance the effectiveness of our leadership capabilities across all levels of the organisation. Leadership competencies based on Lominger research have been developed to emphasise those areas of competence our leaders need to focus on and develop to succeed. These competencies have a strong alignment to succeeding with Māori due to their over-representation in the correctional system. We are increasingly focusing on talent and succession planning and this is being led by the Executive Team.

We have also continued building our capability through our people capability strategy that focuses on our culture and values, attracting and recruiting the right people; fostering wellbeing; and rewarding and recognising good performance. This includes:

- developing the new "our corrections culture" vision statement to emphasise and drive continuous improvement. This statement emphasises our culture and values being understood and lived by staff, and are recognised as the core driver of our success;
- recruiting an additional 258 probation officers as funded through Budget 2009 to manage the expected growth in the volumes of community sentences and orders. This is in addition to revising our remuneration policy, and successfully settling our collective agreements with unions within tight fiscal limits;
- finalising and implementing our new Health and Safety Policy, and maintaining our Secondary rating for performance against the ACC annual partnership audit. This has again placed the Department amongst the better performing state sector organisations. The number of work-related injuries per 100 full-time equivalent staff that gives rise to claims also reduced slightly;
- providing 625,704 hours of training and development opportunities to build capability and ensure our frontline staff can more effectively manage offenders on a day-to-day basis; and
- recognising performance through the Minister's Award, Chief Executive's PRIDE award, Chief Executive's Special Commendation Award, Innovation Award, and Service Recognition Award.

This has driven a fundamental shift in culture towards continuous improvement, efficiency and excellence. As a result, we have achieved our lowest overall turnover rate in five years of 8.56 percent compared to 14 percent in 2004/05. Alongside this, the percentage of employees with over two years experience is increasing while the percentage of employees with less experience is decreasing.

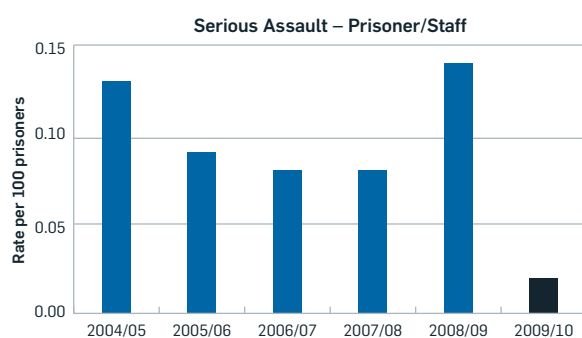
Equal Employment Opportunities are applicable to all aspects of our human resources policies. The percentage of female staff is increasing slightly while the percentage of Māori and Pacific staff has marginally decreased. Succeeding with Māori continues to have strong emphasis with over 20 percent of Māori staff, higher than most other public service agencies. This is supported by our Amohia Ai Māori Mentoring Programme which provides personal and professional development opportunities to Māori staff who are not yet managers or leaders but who have the potential and aspire to be.

Staff safety is an important issue for us; particularly given we deal with offenders who sometimes exhibit volatile and violent behaviours. To better protect our prison staff, we provided:

- additional personal protective equipment to staff for when it is required, including batons, body armour, spit hoods, and trialling of pepper spray; and
- training in de-escalation techniques and tactical communication to help avoid dangerous incidents with prisoners occurring, and to help de-escalate incidents when they do occur. Most custodial staff have completed training.

This is in addition to the Government's decision to amend the Sentencing Act 2002 to make assaults on prison officers or police officers an aggravating factor in sentencing.

The rate of serious assaults on prison staff has decreased significantly over the past year. During the year there were two serious assaults on staff compared to 11 in the previous year. One of these assaults resulted in the tragic death of a corrections officer while undertaking normal duties.



## Capital and asset management

Current projections show a growth in prisoner numbers that will not be able to be accommodated within our current prison capacity. We have developed a 10-year capacity development plan in response to the need for 2,170 additional prison beds by 2019. Based on this plan, we have achieved a number of initiatives to add further beds and infrastructure to meet immediate capacity requirements. This includes:

- extending double bunking at the four newest prison sites which is near completion and will add an additional 886 beds. Design innovations, good planning, and excellent collaboration between the onsite project teams, custodial staff, and contractors are expected to achieve \$30 million in savings on initial capital funding received for the project.
- exploring more efficient prisoner accommodation options such as the container cell unit. The first such 60-bed unit was developed and officially opened in June this year which was delivered for approximately 30 percent less and substantially faster than a comparable traditionally built unit;
- progressing with the Mt Eden / Auckland Central Remand Prison site redevelopment which includes replacing the existing Mt Eden Prison capacity (450 beds) and providing additional capacity within the Stage 1 redevelopment with 104 extra double bunked beds. Work on a third new 245-bed accommodation building (Stage 2) will be in operation by the end of 2012. At the end of Stage 2, a total of 349 additional beds will have been provided taking the full capacity at this site to 1,211 beds; and
- outsourcing facilities management to ensure our facilities expansion keeps pace with the increasing prisoner population and that efficiency improvements are implemented.

We have also looked for opportunities for innovation and improvements in the way prisons are managed and operated through enabling the contract management of prisons and private-public partnerships. This includes:

- removing the barriers to competitive tendering for the private management of prisons. The Government has approved the competitive tendering for the private management of the joint Mt Eden / Auckland Central Remand Prison, with a phased handover to the successful contractor to be completed by August 2011; and
- making substantial progress towards the commissioning of a new prison that is expected to be designed, built and operated under a private-public partnership by 2015. The approximately 1000-bed male prison on departmental land at Wiri in South Auckland will also be subject to consents and the successful completion of a tender process.

This will lead to sufficient capacity to manage the growth in the offender population for now and in the future. It has also led to initial design and construction savings and potential to access further innovations that can be utilised in meeting future capacity requirements.

### Information technology

A key step in building organisational efficiency and excellence is to ensure that our technology-based systems are adequate and keep pace with business needs.

This includes:

- delivering a number of functionality enhancements to allow staff to more effectively manage offenders and do their job better through the revised Integrated Offender Management System; and
- outsourcing our information technology services to optimise the provision of services by enabling innovation and business agility to reduce the overall cost of services.

This has allowed us to manage the overall increases in demand for services while maintaining the availability of key applications to support immediate business needs. We have also put in place processes to ensure those services keep pace with future business requirements and support so staff can manage offenders more effectively.

### Strengthening partnerships

We cannot achieve our outcomes alone. We have continued to develop strong relationships with a diverse range of partners, improved existing relationships, and built new ones in order to achieve mutually beneficial outcomes for society.

We have focused on strengthening relationships with a wide range of partners while providing assurance that appropriate support services are delivered by other agencies and those involved with offenders in the community. This includes:

- planning for the proposed new private-public partnership that emphasises a co-operative relationship that works towards achieving a balanced result for both contractual parties. The key focus has been on ensuring that the advantages identified as arising from public-private partnership arrangements are fully realised;
- strengthening and maintaining existing partnerships with community organisations and local communities to improve the provision of rehabilitation and reintegrative interventions and support services provided to offenders. This has included Māori and Pacific groups and positive support people who can make a positive impact towards successful reintegration back into the community; and
- strengthening existing partnerships with other government organisations to work collaboratively towards improving the value for money in services delivered across the justice and wider social sector.