



DEPARTMENT  
OF CORRECTIONS

**Annual Report**  
**1 July 2001 to 30 June 2002**

Presented to the House of Representatives Pursuant to  
Section 39 of the Public Finance Act 1989

Report of the Department of Corrections, Wellington 2002  
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## FOREWORD

In accordance with section 39 of the Public Finance Act 1989, I submit the following report on the operations of the Department of Corrections for the period 1 July 2001 to 30 June 2002. This includes audited financial statements and covers the Department's administration of the Penal Institutions Act 1954, associated Regulations, and the Criminal Justice Act 1985 for this period.



Mark Byers

Chief Executive

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## CHIEF EXECUTIVE'S OVERVIEW

2001/2002 was a big year for the Department in terms of breaking the back of the change programme from the previous four or so years. It represented by far the biggest set of changes to business tools, systems and processes that we have attempted. This was particularly significant because it affected every part of the organisation and was on the back of sustained change over preceding years.



Mark Byers

The two major change programmes were:

- implementation of Integrated Offender Management – the final stages in a four-year design and implementation programme
- changes to policies, procedures and computer systems to support the introduction of the Sentencing Act 2002 and the Parole Act 2002.

Both of these change programmes represent a significant effort on their own and I am pleased we have managed to implement both during the year. At the same time and despite these demands we have advanced other major initiatives and have also by and large achieved the delivery of outputs that we set out to achieve. However there are several areas where performance and levels should be improved and they are receiving attention. This report outlines our major achievements in all areas, placing us well as we go into the development of a new suite of Strategic Business Plans for the period 2003-2007.

There is still a lot of work to do to ensure we consolidate the changes made to date. However I would like to take this opportunity to reiterate my thanks to all staff and managers. It has been a challenging year and it is due to their efforts we digested a very large workload.

# PART A STRATEGIC CONTEXT

Introduction

Statement of Purpose

Environmental Context

Key Strategic Achievements for 2001/2002

- Strategic Goal 1: Integrated and Effective Offender Management
- Strategic Goal 2: Reducing Re-offending By Māori including Reducing Inequalities
- Strategic Goal 3: Responding to Increased Demand
- Strategic Goal 4: Enhancing Organisational Capability

International Benchmarking

Recidivism Index

Rehabilitation Quotient



## INTRODUCTION

The 2001/2002 Annual Report reports on achievement against the Department's Strategic Goals and key milestones, outputs and performance measures as outlined in the Department's first Statement of Intent produced at the beginning of the year.

The report is divided into four parts:

- Part A – outlines the purpose of the Department and provides some information on the context in which it operates. This section also reports progress made against each of the four Strategic Goals and their associated milestones. Also included are the latest figures from the International Benchmarking exercises in which the Department participates and the Recidivism Index and Rehabilitation Quotient results. These tools measure progress made over time towards achieving a reduction in overall re-offending;
- Part B – reports performance against the outputs as outlined in the 2001/2002 Statement of Intent within the 2001/2002 appropriation. It does this through the inclusion of a Statement of Service Performance and a financial summary that meets the requirements of the Public Finance Act 1989;
- Part C – describes the current capability issues facing the Department and describes the progress made during the year to address them;
- Part D – outlines the key dimensions and structure of the Department of Corrections.



INTRODUCTION

## STATEMENT OF PURPOSE

The Department contributes to the Government's Key Goals, with the primary focus being to **Protect the Public** by directly working towards the achievement of the contributory outcomes of Safe Communities and Reducing Re-offending.

The Department contributes to **Safe Communities** by:

- providing information to the judiciary to inform the sentencing process and to the New Zealand Parole Board to inform release decisions
- ensuring appropriate compliance with, and administration of, sentences and orders
- providing a safe environment for staff, offenders and the public.

The Department works to **Reduce Re-offending** through the delivery of rehabilitative and reintegrative interventions. These also include the provision of education, work experience and skills so that offenders are better equipped to secure employment on release.

Effective sentence management contributes to both outcomes and underpins the achievement of the Government Key Goals.

## ENVIRONMENTAL CONTEXT

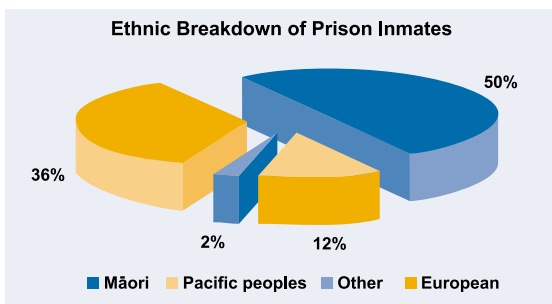
The Department spent 501.735 million (GST inclusive) in the 2001/2002 year, managing an average of 5,765 custodial and 18,635 community-based sentences and orders at any one time.

This section gives some background to the environment that the Department operates in. Behind these statistics lie significant issues for the Department. These include:

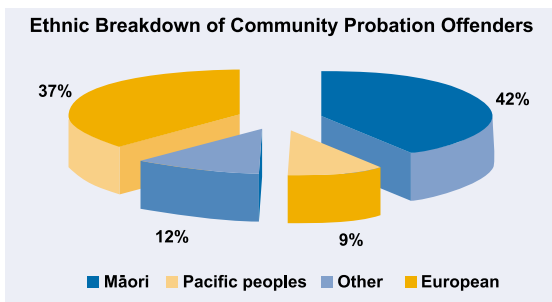
- costs and demands placed on the corrections system and the wider justice system
- public safety and broader social implications associated with offending
- effective rehabilitation and reintegration of Māori by the corrections system.



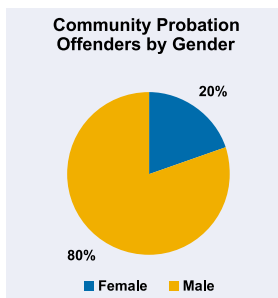
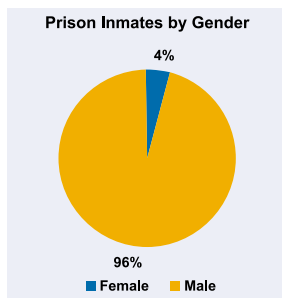
Using these current statistics the Department sets its strategic direction for the coming years, in order to ensure that it contributes to safe communities and reduces re-offending. These statistics (as at 30 June 2002) are outlined below.



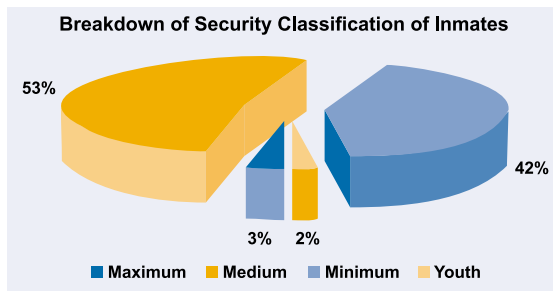
The ethnic mix of inmates shows Māori inmates as the largest group, followed by European and Pacific peoples.



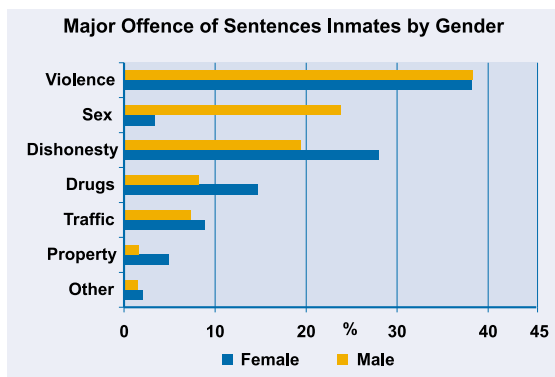
The ethnic mix of Community Probation offenders shows Māori offenders as the largest group, followed by European and Pacific peoples.



As in previous years, the number of male offenders outnumber female offenders.



Ninety five percent of inmates are classified as either minimum or medium security.



The largest group of inmates are imprisoned for violence and sexual offending. These two offences attract the longest sentences and therefore have the largest number of inmates. The largest difference between male and female is that more male inmates are sentenced for sexual offending. More female inmates are sentenced for dishonesty offences than male.

## KEY STRATEGIC ACHIEVEMENTS FOR 2001/2002

The 2001/2002 year represented the second year of implementing the initiatives outlined in the Department's current suite of Strategic Business Plans. These plans focus on the achievement of four major strategic goals, which assist the Department to achieve its contributory outcomes.

Progress made during the year is outlined below.

### Strategic Goal 1: Integrated and Effective Offender Management

Integrated Offender Management represents the Department's new approach to the assessment, management and reintegration of offenders. This was a significant change programme that re-engineered business processes across all parts of the organisation and introduced new tools.

2001/2002 was the final year of a process to implement Integrated Offender Management and work undertaken included:

- completing the implementation of the new tools and procedures associated with offender assessment in both the Public Prisons and Community Probation Services;
- substantially completed implementation of sentence planning and sentence management tools and processes in both services;
- continued expansion of the Department's criminogenic programmes with programmes now being delivered in most sites;
- development of a comprehensive policy that will allow the Department to better target programmes to match the needs of offenders;
- completing the roll-out of the National Certificate of Employment Skills (NCES) at all prison sites;



KEY STRATEGIC  
ACHIEVEMENTS  
FOR 2001/2002

- commencing implementation of new reintegrative services processes. Reintegrative Services provides three levels of support for offenders
  - providing information on reintegrative services available
  - facilitating offenders' access to services required
  - providing direct training in skills that address reintegrative needs.

Other achievements included:

- drafting new Corrections Legislation for Government and Parliamentary consideration
- completing development of a strategy designed to specifically address re-offending by Pacific peoples
- releasing the Department's second drug strategy, *Strategy to Reduce Drug and Alcohol use in New Zealand Prisons 2001-2004*. The goal of the strategy is to reduce re-offending by reducing inmate drug use in prisons and on release back into the community.

### **Sentencing and Parole Reform**

Substantive work was undertaken to prepare the Department for implementation of new legislation following the Government's review of the sentencing framework and the parole system.

This was a significant change programme that included changes to policies, procedures, and computer systems to facilitate the implementation of the requirements of the new Sentencing Act 2002 and the Parole Act 2002.



The new legislation:

- put in place new sentencing principles for judges to take into account when sentencing offenders
- changed the nature of community-based sentences by abolishing the sentences of community service and periodic detention and replacing them with the sentence of Community Work
- abolished the sentence of community programme, and added further options for special conditions on supervision
- clarified and enhanced victims rights

- created a new category of offenders released on conditions
- fundamentally restructured the National Parole and District Prisons Boards into the New Zealand Parole Board.

The challenge for the Department in the 2002/2003 year will be to ensure that the new Acts are successfully implemented and integrated into “business as usual”.

### **Strategic Goal 2: Reducing Re-offending by Māori**

Māori are disproportionately represented in the criminal justice system and it is predicted that, due to demographic patterns and assuming no other changes, the number of Māori offenders in the criminal justice system will continue to rise at the same disproportionate rate.

Māori constitute 14.5 percent of the total population, but make up 50 percent of those serving prison sentences and 42 percent of those serving community-based sentences. Offender forecasts to 2013 indicate that, on the basis of demographic trends, this over-representation is likely to increase. Furthermore, higher proportions of Māori than of other ethnic groups are re-convicted and re-imprisoned.

### **Reducing Inequalities**

#### ***Addressing Specific Needs***

The Department is committed to building the cultural knowledge and skills of staff. Department-wide Māori-specific competencies have been developed to ensure Corrections staff are appropriately skilled to deliver effective services for Māori offenders.

Milestones to address the specific needs of Māori were set out in the 2001/2002 Statement of Intent for the 2001/2002 financial year. Achievements included:

- Māori Targeting Framework, finalised in the third quarter;
- implementation of Māori Therapeutic programmes in all established Māori Focus Units;
- completion of a Treaty of Waitangi Strategy to improve how the Department works with Māori;



**KEY STRATEGIC  
ACHIEVEMENTS  
FOR 2001/2002**

- development of policy on Specialist Māori Cultural Assessment;
- development of policy and implementation of a prototype for Cultural Supervision for staff to improve effectiveness and responsiveness;
- opening a fifth Māori focus unit at Tongariro/Rangipo and the transfer of a unit from New Plymouth to Wanganui prison;
- implementation of the Department's Cultural Responsiveness Strategy to improve the Department's responsiveness to the needs of Māori;
- development and implementation of the Kaiwhakamana policy allowing special status for kaumatua to access Māori inmates in prison.

The initial scoping work to enhance whānau involvement and the policy for provider development has been undertaken. This will be completed in the next reporting cycle.

### *Shared Goals*

In pursuing the outcomes to **Contribute to Safe Communities and Reduce Re-offending** the Department believes it is contributing directly to the achievement of the broader kaupapa statement expressed in the Department's Treaty of Waitangi Strategy of "Kotahi ano te kaupapa; ko te ora o te iwi" (there is only one purpose (to our work); it is the wellness and wellbeing of the people).

### *Integrated Offender Management*

Through the integrated approach to offender management, the Department's aim is to reduce re-offending overall through effective interventions across all groups in the corrections system. In support of the Department's key strategic goal to **Reduce Re-offending by Māori**, specific focus has been given to assessing and addressing Māori culture-related needs.

The integrated approach to managing offenders identifies the specific needs of Māori and other groups eg, Pacific peoples, women and young offenders.





This emphasis is valid in light of the Government's focus on reducing inequalities. Part B of the Department's 2001/2002 Annual Report includes information on the wide range of tikanga, cognitive and criminogenic programmes delivered to offenders serving both custodial and non-custodial sentences.

The Department has in place a policy for managing women inmates with dependant children. This includes the provision of appropriate facilities for women inmates in prisons. During the year the Department completed work on the development and commissioning of 16 self-care units at Arohata Women's Prison, which are in addition to similar facilities already in place in the other two women's prisons. Each of the self-care units contains facilities that allow a mother and baby, up to six months of age, to be accommodated together.

The Department has continued to address issues related to the management of those with disabilities as part of its building compliance programme. Existing facilities are being progressively upgraded as part of the Department's ongoing deferred maintenance programme. All new facilities will comply with disability access requirements, with appropriate accommodation to be provided for each security level.

A Pacific Strategy and associated initiatives for the Department was completed, and subject to extensive internal and external consultation with staff, agencies and Pacific communities. This is the Department's first Pacific strategic plan, and was developed with strong support from the Ministry of Pacific Island Affairs. The strategy provides direction for reducing re-offending by Pacific offenders from July 2002 – June 2005.

In the 2001/2002 financial year the Department spent \$501.735 million (GST inclusive). Sixty-one percent of this was spent on Māori and Pacific peoples. Of the Department's total expenditure, \$255.9 million (GST inclusive) or 51 percent, was spent on all costs associated with Māori offenders. Of this amount, 95 percent was spent on male Māori.



Within the \$255.9 million, the following appropriations were targeted specifically at reducing re-offending by Māori (GST inclusive):

- \$10.17 million on Māori Focus Units (custodial costs)
- \$0.87 million on Māori Focus Units (programmes costs)
- \$0.38 million on the Bi-cultural Therapy Model
- \$0.49 million on policy work specifically related to Māori issues
- \$3.19 million on Tikanga Māori programmes
- \$0.93 million on other Māori programmes.

Historically, all offenders in the corrections system were treated the same in respect of the mechanisms designed to address their offending behaviour. It is now recognised that addressing the needs of Māori and Pacific offenders in a more culturally appropriate context may be more likely to support the goal of reducing their re-offending.

There can be a link between educational underachievement and offending. Māori and Pacific students are a growing proportion of the school population currently over-represented in negative education statistics as well as in the corrections system. The Department acknowledges the need to ensure educational needs are appropriately addressed, particularly for school-aged youth already in the corrections system. The Department provides education and training to better equip offenders to cope in the community following their release from prison. These are provided through basic literacy and numeracy programmes, the National Certificate in Employment Skills and other general education activities, to raise the basic literacy and numeracy levels of offenders with deficiencies in these areas.

Statistics also show that many people re-offend because they lack the basic life skills to function on their own outside of prison. Programmes delivered by the Department are also designed to assist offenders to cope with day-to-day life when they are released from prison. Self Care Units are designed to assist reintegration into the community.



### ***The Treaty of Waitangi Strategic Plan***

The Department acknowledges the importance of the Treaty of Waitangi as New Zealand's founding document and as the framework for the relationship between Māori and the Crown. Accordingly, the Department finalised its first Treaty of Waitangi Strategic Plan covering the period July 2001–June 2003. The strategy outlines the framework for departmental initiatives and articulates the Department's relationship with Māori.

The Treaty provides an opportunity to build relationships, strengthen communications and facilitate participation between Māori and Corrections.

### ***Pacific Strategy and Initiatives for the Department of Corrections***

The Department aims to ensure that all aspects of its operations are responsive to the needs of Pacific peoples. Fundamental to the success of this strategy is the need to consult Pacific communities and involve Pacific peoples in Departmental efforts to address Pacific issues.

Reducing Inequalities for Māori and Pacific peoples are key goals of the Government. Reducing re-offending is a key goal of the Department. The Treaty of Waitangi Strategy and the Pacific Strategy will assist the Department to achieve both of these goals.

### ***A Communications Strategy and Plan 2001/2002***

Effective communication is critical to facilitate the Department's effectiveness and responsiveness initiatives for Māori. Steps to improve relationships with Māori have been taken at national and local levels.

The purpose of the Communications Strategy is to facilitate the development and ongoing management of effective relationships with Māori. Support staff and managers will increasingly work with Māori, iwi, hapu, whānau and Māori service providers towards reducing re-offending among Māori.



### ***A Strategic Framework for Māori***

The Department has developed a *Strategic Framework for Māori* which will, in the context of Integrated Offender Management, help to ensure consistency in the delivery of services to Māori, identify how Māori offenders will access tikanga Māori-based interventions and set rules for who is eligible for such interventions. The Tikanga Māori programmes are designed from a Māori world view and provide a positive and pro-social framework for Māori offenders.

### ***Māori Focus Units and Whānau Involvement***

Māori Focus Units are based in five prisons. The aim of the units is to use Māori language and culture to create a change in the understanding, attitude and behaviour of Māori offenders. The units require a commitment from participants to address the discrepancies between Māori tikanga and their current offending behaviour and lifestyle.

The tikanga basis for interactions within the units along with the linkages to local Māori communities, including marae, is key to their effectiveness. Whānau liaison workers are being introduced into all units, based on the outcome of a successful pilot position at Hawke's Bay.

### ***Treaty Relationships Unit***

Alongside the Cultural Perspectives Unit the Department has established a Treaty Relationships Unit. This unit assists managers throughout the Department to build and maintain strong and effective relationships with Māori, and gives effect to the Department's strategic objective of increased partnership with Māori in the delivery of its services.

### ***Partnership Initiatives***

The Department believes that establishing partnerships begins with the building of relationships with whānau, hapu, iwi and Māori communities. The nature of these relationships will vary to suit each situation but the goal in every case will be to enhance the Department's ability to support Māori aspirations



for “wellness and wellbeing” through contributing to community safety and to reducing re-offending.

### ***Memorandum of Partnership***

A Memorandum of Partnership sets out the details of how the relationship between Corrections and Māori will be managed. Memoranda of Partnerships are evolving as a means of cementing Māori/Departmental relationships. The Treaty of Waitangi provides the primary basis for such relationships.

### ***Iwi Secondment***

The Department has initiated an iwi secondment model. This allows for Māori probation staff to be located within Māori service provider organisations. This arrangement allows the transfer of knowledge and skills from the Department's staff to the staff of the service provider and a better understanding of Māori service providers' needs. This model has been implemented in the Hamilton region with success and is being investigated for further implementation in other areas.

### ***Chief Executive's Māori Advisory Group***

The Chief Executive's Māori Advisory Group was established to provide direct advice and feedback to the Chief Executive on Māori issues. The group has external membership and ensures the Chief Executive is given advice on the strategic, policy and operational issues that affect Māori. In addition, the group acts as a conduit for information to and from the Māori community on matters affecting them and the Department. Part C of the Department's 2001/2002 Annual Report summarises the work of this group during the year.

### ***Evaluation and Monitoring Frameworks***

While the Department will be reviewing the effectiveness of each of the individual initiatives, it also has in place re-offending and outcome monitoring systems, the Recidivism Index and the Rehabilitation Quotient. The Recidivism Index (RI) measures the rate of re-offending which results in a sentence administered by the Department for a specified group

of offenders over a defined period of time (currently 12 and 24 months) following release from a custodial sentence or the beginning of a community-based sentence.

The Rehabilitation Quotient (RQ) measures the effectiveness of rehabilitative and other interventions in reducing re-offending. This measure involves a comparison between a group receiving the intervention or treatment and a control group similar in all other aspects but which did not receive the intervention.

The RI for the year indicates that recidivism by Māori offenders released from prison has reduced. The RQ for intervention specifically targeted to Māori has been inconclusive due to the inadequate quality and quantity of information. Data over the next year should provide a fuller picture. Full results of the Recidivism Index and the Rehabilitation Quotient for the 2000/2001 financial year are outlined in Part A.

### **Strategic Goal 3: Responding to Increased Demand**

The Department has completed the second year of implementing the initiatives outlined in the eight-year National Prison Facilities and Services Strategic Plan. The milestones contained in this strategy are focused on ensuring appropriate facilities exist to meet forecasted increases in the inmate muster levels.

Alongside this the Department is also implementing the Government's Regional Prison policy, which is based upon evidence that locating inmates as near to their homes as possible is conducive to effective rehabilitation and reintegration.

Achievements in these areas during the year are addressed in Part C of this report.

### **Strategic Goal 4: Enhancing Organisational Capability**

The Department must ensure that it has the capability to effectively conduct its business now and into the future. The overall achievement of the other three Strategic Goals cannot



be achieved without an overall improvement in, and focus on, capability.

Initiatives undertaken in this regard during the 2001/2002 year included:

- implementation of year two of the Human Resources Strategy (2000-2003), which is addressed in Part C (Human Resources Management) of this report;
- undertaking preliminary work in conjunction with other government agencies (such as Treasury) on a comprehensive Output Pricing Review in preparation for the 2003 budget;
- continued implementation of year two of the Prison Maintenance and Development Plan (2000-2005);
- continuation of the Community Probation Service co-location project which is resulting in the progressive combining of Periodic Detention/Community Work Centres and Reporting Centres under a single roof;
- implementing a new Information Technology platform and upgrades of the Department's Integrated Offender Management system. Details of these initiatives are on pages 144 to 146 of this report.

## INTERNATIONAL BENCHMARKING

The Department uses international benchmarking to compare its performance across a range of commonly used service delivery indicators.

The Department has developed close working relationships with several overseas jurisdictions and information is now being exchanged with Australia, Canada, England & Wales and Scotland.

The following framework of indicators are used for international benchmarking purposes:

- *Efficiency indicators* identify the efficient nature of resource management.
- *Quality indicators* reflect good prison management and healthy and safe containment of inmates. This includes the



provision of interventions to reduce re-offending and maximise successful reintegration.

- *Effectiveness indicators* measure the extent to which key Departmental objectives, such as reducing re-offending, have been met.

## Efficiency Indicators

### Cost of Inmates per Day

One component in determining the performance of the corrections system is an assessment on the basis of what it costs to secure an inmate. Comparisons between jurisdictions are based on the average daily cost per inmate.

**Table 1: International Comparison of Cost per Inmate per Day – 2000/2001**

|                                      | NZ    | Canada | Australia | England & Wales | Scotland |
|--------------------------------------|-------|--------|-----------|-----------------|----------|
| Cost per inmate per day <sup>1</sup> | \$148 | \$260  | \$148     | £155            | £159     |

Australian figures excludes depreciation, accommodation fees and capital asset charges from their cost per inmate per day. When New Zealand's costs are adjusted to reflect this, the average cost per inmate per day is \$111.

### Inmate to Staff Ratio

The ratio of inmates to full time equivalent staff identifies the level of staff supervision available. Table 2 compares the ratio of inmates to full time equivalent staff across jurisdictions. This comparison shows that New Zealand's ratio of inmates to total staff exceeds that of the other jurisdictions.

**Table 2: International Comparison of Inmate to Total Staff Ratios – 2000/2001**

|   | NZ   | Canada | Australia | England & Wales | Scotland |
|---|------|--------|-----------|-----------------|----------|
| Number of inmates to total prison staff | 2.14 | 0.92   | 1.70      | 1.47            | 1.28     |

<sup>1</sup> An "Economist Annual Comparison Index" model has been used to adjust the results. This index allows an adjustment to be made to the cost per day comparisons without requiring a conversion to the NZ dollar. While the adjustment provides a sounder basis for comparison, local process may still be distorted by differences in trade barriers and taxes. There are also differences in the type of services and ongoing costs delivered by each jurisdiction.



### *Inmate to Uniformed Staff Ratio*

The staff to inmate ratio increases to 2.54 when comparing the number of inmates to uniformed staff.

**Table 3: International Comparison of Inmate to Uniformed Staff Ratios – 2000/2001**

|   | NZ   | Canada | Australia | England & Wales | Scotland |
|---|------|--------|-----------|-----------------|----------|
| Number of inmates to uniformed prison staff | 2.54 | 2.06   | 2.20      | 2.07            | 2.03     |

### *Occupancy*

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

**Table 4: International Comparison of Occupancy Rates – 2000/2001**

|                                       | NZ    | Canada           | Australia | England & Wales | Scotland |
|---------------------------------------|-------|------------------|-----------|-----------------|----------|
| Percentage occupancy (yearly average) | 97.7% | n/a <sup>2</sup> | 98.2%     | 98.3%           | 100.2%   |

### *Quality Indicators*

#### *Assaults in Custody*

Serious assaults are an indicator of how safe and secure prisons are. Serious assaults are those defined as resulting in actual bodily harm and requiring hospitalisation or extended periods of medical treatment, and any sexual assault. As in previous years, New Zealand compares favourably with the other overseas jurisdictions monitored.

**Table 5: International Comparison of Serious Inmate/inmate Assaults – 2000/2001**

|  | NZ   | Canada | NSW  | Vic  | Qld | SA  | Tas | NT  |
|--|------|--------|------|------|-----|-----|-----|-----|
| Number of serious inmate/inmate assaults per 100 inmates | 0.40 | 0.42   | 0.90 | 1.10 | n/a | 0.3 | 0.8 | 0.8 |

<sup>2</sup> NB: "n/a" indicates that data was not available for that country/state for the year.

### *Inmate/staff Assaults*

**Table 6: International Comparison of Inmate/staff Assaults – 2000/2001**

|   | NZ   | Canada | NSW | Vic | Qld | SA   | Tas | NT  |
|---|------|--------|-----|-----|-----|------|-----|-----|
| Number of serious inmate/staff assaults per 100 inmates | 0.10 | 0.02   | n/a | n/a | n/a | 0.40 | n/a | 1.7 |

### *Deaths in Custody*

The corrections system has to deal with a high proportion of people with a propensity to self-harm in prison. Deaths in custody are regrettable and are a serious matter subject to independent investigation. Recent trends in this area in the New Zealand corrections system remain positive.

In 2001/2002 there were 15 deaths in custody<sup>3</sup>, including six assumed suicides and no assumed homicides. The number of assumed suicides is comparable to past years.

### *Unnatural deaths in custody*

Unnatural deaths include suicides, homicides, death by drug overdose, and death by accident. The majority (90% for all jurisdictions) of unnatural deaths in prisons are suicides. Further investigations also find that Māori have a higher incidence of unnatural deaths than non-Māori.

**Table 7: International Comparison of Unnatural Deaths in Custody – 2000/2001**

|  | NZ   | Canada | Australia | England & Wales | Scotland |
|--|------|--------|-----------|-----------------|----------|
| Number of unnatural deaths per 100 inmates | 0.10 | 0.13   | 0.16      | 0.12            | 0.20     |



<sup>3</sup> The 2001/2002 figures are subject to Coroner's findings.

### *Suicides in Custody*

Inmate suicide reduction continues to be a key priority of the Department. New Zealand continues to have a lower suicide rate than other jurisdictions.

**Table 8: International Comparison of Suicides in Custody – 2000/2001**

|                                    | NZ   | Canada | Australia | England & Wales | Scotland |
|------------------------------------|------|--------|-----------|-----------------|----------|
| Number of suicides per 100 inmates | 0.09 | 0.13   | n/a       | 0.12            | 0.19     |

### *Escapes from Prison*

The total number of all inmates escapes in New Zealand against all security classifications reduced from 29 in 2000/2001 to 26 in 2001/2002. This continues a trend against an expected performance standard in 2001/2002 of 72 escapes in total. This is the third consecutive year where there has been a reduction in the number of escapes.

### *Breakout Escapes from Prison*

Of the 26 escapes for 2001/2002 there were a total of nine breakout escapes, which compares with seven breakout escapes in 2000/2001. Inmate breakout escapes are an indicator of the extent to which a secure custodial environment exists. The Department's emphasis on enhanced physical security in the past three years, as well as improvements in operational practice, accounted for the decline in escapes.

**Table 9: International Comparison of Breakout Escapes from Prison – 2000/2001**

|  | NZ   | Canada | Australia | England & Wales | Scotland |
|--|------|--------|-----------|-----------------|----------|
| Number of breakout escapes from prison per 100 inmates | 0.10 | 0.63   | 0.13      | 0.12            | 0.02     |

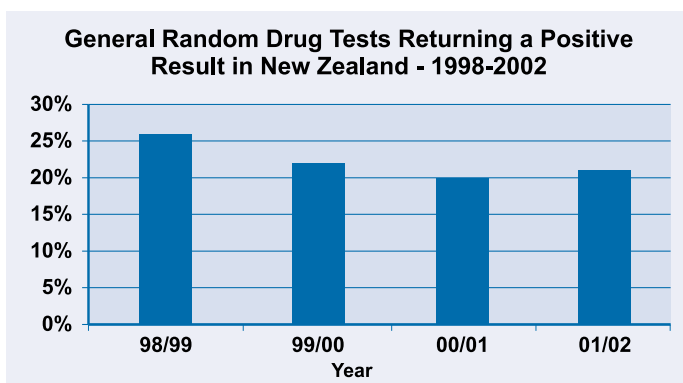
## Drug Testing

During the course of the year, the Department continued its strategy to reduce drug and alcohol use in prisons. The strategy recognises that a large proportion of inmates have drug and alcohol problems. These problems are often a significant factor in offending behaviour. Drug use in prison perpetuates the dependency problems and the illegal lifestyles of inmates. It also creates problems for their relatives and friends (such as pressure to supply drugs) and for prison staff in the management and rehabilitation of inmates.

The Department's drug strategy is designed to reduce the demand for drugs, the supply of drugs into prison, and the harm caused by drug abuse. The three main methods to achieve these aims are:

- measures to deter inmates from using drugs (both sanctions and incentives)
- improved detection of drugs
- treatment of those with drug problems.

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



**Table 10: International Comparison of General Random Drug Tests Returning a Positive Result – 2000/2001**

|   | NZ  | Canada | Australia | England & Wales | Scotland |
|---|-----|--------|-----------|-----------------|----------|
| Percentage of general random drug tests returning a positive result | 20% | n/a    | 8%        | 12%             | 15%      |

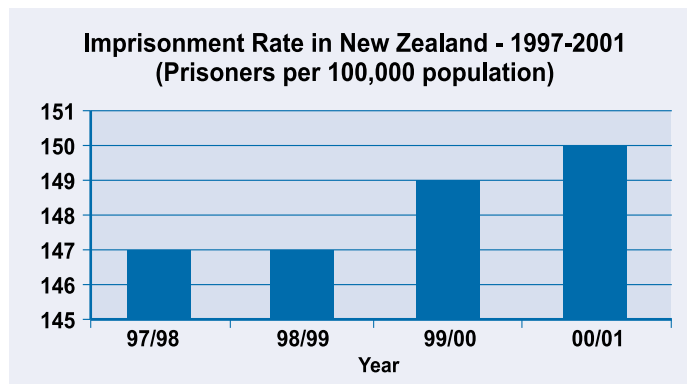
New Zealand's random drug test results show a higher percentage of positive results than other international jurisdictions. The majority of positive drug tests in New Zealand (approximately 98%) are cannabis related.

### Effectiveness Indicators

#### *Imprisonment Rate*

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

New Zealand continues to have the highest imprisonment rate compared with these jurisdictions.



**Table 11: International Comparison of Imprisonment Rates – 2000/2001**

|  | NZ  | Canada           | Australia | England & Wales | Scotland |
|--|-----|------------------|-----------|-----------------|----------|
| Number of prisoners per 100,000 population | 150 | 120 <sup>4</sup> | 109       | 122             | 115      |

**Indigenous Prisoner Population**

Currently New Zealand Māori make up 50% of the prison population. The Department has in place a number of initiatives to improve the wellness and wellbeing of Māori and thereby reduce the incidence of re-offending by Māori. These are outlined on pages 16 to 23 of this report.

**Table 12: International Comparison of Indigenous Prisoner Population – 2000/2001**

|   | NZ  | Canada | Australia | England & Wales    | Scotland |
|---|-----|--------|-----------|--------------------|----------|
| Indigenous prisoners as a percentage of the total prisoner population | 51% | 17%    | 19.8%     | 94.6% <sup>5</sup> | n/a      |

**RECIDIVISM INDEX**

The Recidivism Index (RI) quantifies the rate of re-offending of a specified group of offenders over a defined follow-up period (currently 12 months) following release from a custodial sentence or commencement of a community-based sentence. The RI method is based on internationally used definitions of re-offending applied to sentences/orders administered by the Department of Corrections.

The RI comes in two forms – imprisonment or reconviction to a sentence administered by the Department. Imprisonment gives a good indication of the seriousness of recidivism and costs to the Department, the criminal justice system and society more generally. However, since the majority of reconvictions do not



<sup>4</sup> Represents both provincial and federal prisoner populations.

<sup>5</sup> England and Wales data represents non-foreigners.

lead to imprisonment, imprisonment statistics provide an incomplete measure of recidivism; reconviction to any sentence administered by the Department is also measured. However, reconviction can sometimes overstate the risks associated with re-offending because many reconvictions are for minor offences.

### *RI between Groups*

The Recidivism Index is reported for multiple categories of offenders. In New Zealand there was significant variation in re-offending rates between sentence, offence and demographic groups. The following tables provide re-offending rates measured over 12 and 24 months, for the 1999/00 and 2000/01 years. Improved information and analysis will be available in future years, as more data becomes available.

Notable features for those released from a custodial sentence over 12 months are that:

- males are re-imprisoned at a significantly higher rate than females (25 percent for males and 14 percent for females) and reconviction rates for offenders released from prison are also higher for males (42 percent and 30 percent respectively). Reimprisonment rates reduce by around two-thirds as offenders age, and vary markedly between offence classes (property offenders having the highest, sex offenders having the lowest);
- reimprisonment rates were highest for inmates released from maximum security and high-medium security classifications (54 percent and 51 percent respectively), but were markedly lower for inmates released from minimum security (18 percent);
- the reimprisonment and reconviction rates for Pacific peoples (18 percent and 35 percent respectively) and Europeans (22 percent and 36 percent) were notably lower than those for Māori (27 percent and 46 percent);
- as the sentence length increases, there is a drop-off in the rate of re-imprisonment and reconviction. One-year-sentence-length offenders are reimprisoned at a

significantly higher rate than offenders with a sentence length greater than five years (20 percent and 8 percent respectively). This should not be interpreted as meaning that longer sentences contribute to lower re-offending.

More serious offences such as violence attract longer sentences. However, violent offenders also have somewhat lower reconviction rates than property offenders;

- as the seriousness of the offence (for which the person has been detained in the corrections system) increases above medium, there is a drop-off in the rate of reimprisonment and reconviction. Medium seriousness score (eg, dishonesty, burglary) offenders are reimprisoned at a significantly higher rate than offenders with a very high seriousness score (33 percent and 11 percent respectively).

Offenders on community-based sentences had significantly lower imprisonment and reconviction rates than offenders released from prison. The reconviction rate for those who began a Community Probation sentence of periodic detention (40 percent) is double that of offenders who have completed a community service sentence (20 percent).





Table 13: Recidivism Index Reporting – 2000/2001 – 12 Month Percentages<sup>6</sup>

| Category                              | Group               | Released from PPS |             | Beginning of CPS Sentence |             |
|---------------------------------------|---------------------|-------------------|-------------|---------------------------|-------------|
|                                       |                     | Re-imprisoned     | Reconvicted | Imprisoned                | Reconvicted |
| <b>All</b>                            |                     | <b>24.3</b>       | <b>41.0</b> | <b>12.3</b>               | <b>36.0</b> |
| <b>Gender</b>                         | Female              | 14.0              | 30.1        | 9.6                       | 35.6        |
|                                       | Male                | 25.2              | 42.0        | 19.1                      | 44.7        |
|                                       | Unspecified         | 6.9               | 24.1        | 0.3                       | 19.6        |
| <b>Ethnicity</b>                      | European            | 21.6              | 36.5        | 12.0                      | 35.9        |
|                                       | Māori               | 27.1              | 45.9        | 15.9                      | 43.2        |
|                                       | Pacific             | 18.3              | 35.4        | 9.0                       | 32.6        |
|                                       | Other (incl. Asian) | 16.7              | 28.8        | 5.8                       | 26.5        |
|                                       | Unspecified         | 0.0               | 0.0         | 0.3                       | 5.5         |
| <b>Age</b>                            | <20 years           | 39.6              | 64.5        | 21.1                      | 52.9        |
|                                       | 20-24 years         | 31.2              | 50.5        | 16.3                      | 44.3        |
|                                       | 25-29 years         | 25.5              | 44.2        | 13.0                      | 40.6        |
|                                       | 30-39 years         | 29.2              | 35.4        | 11.3                      | 32.9        |
|                                       | 40+ years           | 12.5              | 20.7        | 6.8                       | 22.1        |
| <b>Offence</b>                        | Drug                | 12.1              | 24.7        | 9.1                       | 32.4        |
|                                       | Property            | 37.2              | 56.2        | 18.0                      | 44.1        |
|                                       | Traffic             | 19.0              | 37.6        | 13.2                      | 37.2        |
|                                       | Violence            | 23.1              | 41.3        | 12.0                      | 37.0        |
|                                       | Sex                 | 4.4               | 10.0        | 9.5                       | 26.4        |
|                                       | Other               | 13.0              | 27.6        | 6.0                       | 25.6        |
| <b>Community-based Sentence</b>       | Community service   |                   |             | 3.0                       | 20.2        |
|                                       | Programme           |                   |             | 13.3                      | 31.1        |
|                                       | Supervision         |                   |             | 16.1                      | 41.8        |
|                                       | Periodic detention  |                   |             | 14.4                      | 39.9        |
| <b>Custodial Sentence</b>             | Prison              | 23.9              | 40.3        |                           |             |
|                                       | Corrective training | 36.9              | 65.9        |                           |             |
| <b>Inmate Security Classification</b> | Max security        | 53.6              | 53.6        |                           |             |
|                                       | High medium         | 51.1              | 60.1        |                           |             |
|                                       | Low medium          | 39.9              | 53.8        |                           |             |
|                                       | Minimum             | 18.0              | 32.1        |                           |             |
| <b>Releases from Prison</b>           | PB - discretionary  | 6.7               | 10.0        |                           |             |
|                                       | PB - mandatory      | 6.5               | 10.2        |                           |             |
|                                       | DPB - discretionary | 14.9              | 30.1        |                           |             |
|                                       | DPB - mandatory     | 21.9              | 36.1        |                           |             |
|                                       | Home detention      | 7.1               | 18.6        |                           |             |
| <b>Sent. Length</b>                   | <=6 mths            | 29.3              | 49.8        | 13.3                      | 39.4        |
|                                       | > 6mth but < 1yr    | 23.6              | 41.7        | 15.3                      | 40.5        |
|                                       | = 1 yr              | 20.4              | 38.6        | 7.3                       | 26.1        |
|                                       | >1 to 2 yr          | 26.0              | 40.3        | 19.8                      | 43.5        |
|                                       | >2 to 3 yr          | 16.8              | 31.0        | 8.0                       | 28.0        |
|                                       | >3 to 5 yr          | 15.8              | 28.5        |                           |             |
|                                       | >5 yr               | 8.0               | 15.6        |                           |             |
| <b>Seriousness Score</b>              | Low (>0 to 30)      | 25.8              | 43.4        | 11.2                      | 34.9        |
|                                       | Medium (>30 to 60)  | 33.4              | 53.0        | 19.0                      | 45.1        |
|                                       | High (>60-120)      | 28.0              | 44.3        | 18.4                      | 40.6        |
|                                       | Very high (>120)    | 10.6              | 23.8        | 11.3                      | 31.2        |
| <b>All - 1999/2000</b>                |                     | 28.2              | 46.1        | 14.0                      | 35.4        |
| <b>All - 1998/1999</b>                |                     | 27.8              | 49.0        | 13.7                      | 37.3        |

<sup>6</sup> Offence date used to measure re-offending. Offences against justice are excluded. Where there are multiple offences the major offence has been used. Beginning of CPS sentence used to define reconviction. PPS records have release dates defined from 1 April 2000 to 31 March 2001. CPS & PS records have start dates defined from 1 April 2000 to 31 March 2001.

Table 14: Recidivism Index Reporting – 1999/2000 – 24 Month Percentages<sup>7</sup>

| Category                              | Group               | Released from PPS |             | Beginning of CPS Sentence |             |
|---------------------------------------|---------------------|-------------------|-------------|---------------------------|-------------|
|                                       |                     | Re-imprisoned     | Reconvicted | Imprisoned                | Reconvicted |
| <b>All</b>                            |                     | <b>37.2</b>       | <b>58.7</b> | <b>18.6</b>               | <b>45.4</b> |
| <b>Gender</b>                         | Female              | 23.4              | 47.4        | 14.2                      | 45.3        |
|                                       | Male                | 38.2              | 59.5        | 27.7                      | 56.2        |
|                                       | Unspecified         | 6.7               | 33.3        | 0.3                       | 21.7        |
| <b>Ethnicity</b>                      | European            | 31.1              | 52.4        | 20.4                      | 50.8        |
|                                       | Māori               | 43.2              | 66.0        | 26.9                      | 59.6        |
|                                       | Pacific             | 30.7              | 50.6        | 17.9                      | 46.7        |
|                                       | Other (incl. Asian) | 28.6              | 44.3        | 10.3                      | 37.1        |
|                                       | Unspecified         | 0.0               | 12.9        | 0.3                       | 9.3         |
| <b>Age</b>                            | <20 years           | 55.4              | 78.3        | 29.3                      | 64.0        |
|                                       | 20-24 years         | 42.3              | 66.3        | 23.5                      | 53.9        |
|                                       | 25-29 years         | 40.3              | 61.8        | 20.6                      | 48.1        |
|                                       | 30-39 years         | 30.3              | 52.3        | 17.2                      | 41.6        |
|                                       | 40+ years           | 19.9              | 34.6        | 11.8                      | 32.0        |
| <b>Offence</b>                        | Drug                | 20.6              | 40.2        | 14.0                      | 40.9        |
|                                       | Property            | 51.4              | 73.3        | 25.3                      | 55.8        |
|                                       | Traffic             | 32.8              | 60.0        | 20.0                      | 48.4        |
|                                       | Violence            | 37.2              | 57.8        | 19.9                      | 45.9        |
|                                       | Sex                 | 10.2              | 21.0        | 11.6                      | 25.1        |
|                                       | Other               | 23.9              | 43.8        | 10.4                      | 32.7        |
| <b>Community-based Sentence</b>       | Community service   |                   |             | 5.0                       | 28.4        |
|                                       | Programme           |                   |             | 26.1                      | 56.1        |
|                                       | Supervision         |                   |             | 22.0                      | 49.5        |
|                                       | Periodic detention  |                   |             | 23.5                      | 50.6        |
| <b>Custodial Sentence</b>             | Prison              | 36.4              | 57.5        |                           |             |
|                                       | Corrective training | 53.8              | 82.8        |                           |             |
| <b>Inmate Security Classification</b> | Max security        | 75.0              | 75.0        |                           |             |
|                                       | High medium         | 76.4              | 81.8        |                           |             |
|                                       | Low medium          | 62.1              | 73.9        |                           |             |
|                                       | Minimum             | 29.1              | 48.7        |                           |             |
| <b>Releases from Prison</b>           | PB - discretionary  | 6.9               | 10.3        |                           |             |
|                                       | PB - mandatory      | 7.8               | 20.6        |                           |             |
|                                       | DPB - discretionary | 26.5              | 43.0        |                           |             |
|                                       | DPB - mandatory     | 34.2              | 52.8        |                           |             |
|                                       | Home detention      | 11.9              | 29.4        |                           |             |
| <b>Sent. Length</b>                   | <=6 mths            | 40.4              | 63.9        | 21.2                      | 50.4        |
|                                       | > 6mth but < 1yr    | 37.5              | 61.9        | 22.0                      | 49.4        |
|                                       | = 1 yr              | 37.9              | 57.0        | 11.3                      | 34.2        |
|                                       | >1 to 2 yr          | 39.8              | 60.5        | 25.7                      | 48.5        |
|                                       | >2 to 3 yr          | 31.6              | 49.2        | 13.3                      | 43.3        |
|                                       | >3 to 5 yr          | 25.2              | 37.7        |                           |             |
|                                       | >5 yr               | 12.6              | 26.6        |                           |             |
| <b>Seriousness Score</b>              | Low (>0 to 30)      | 38.3              | 60.7        | 17.3                      | 44.1        |
|                                       | Medium (>30 to 60)  | 46.6              | 69.5        | 27.6                      | 55.9        |
|                                       | High (>60-120)      | 40.0              | 60.7        | 23.4                      | 50.6        |
|                                       | Very high (>120)    | 20.7              | 38.7        | 16.1                      | 36.5        |
| <b>All - 1998/1999</b>                |                     | <b>37.4</b>       | <b>59.0</b> | <b>19.6</b>               | <b>47.4</b> |

<sup>7</sup> Offence date used to measure re-offending. Offences against justice are excluded. Where there are multiple offences the major offence has been used. Beginning of CPS sentence used to define reconviction.

## REHABILITATION QUOTIENT

The Rehabilitation Quotient (RQ) is a way of measuring the effectiveness of rehabilitative and other interventions in reducing re-offending. The measurements are now available because of improving data and outcome monitoring systems made possible by the implementation of the Department's computer system (IOMS). The RQ was introduced in the year ended 30 June 2001.

The RQ measurement involves a comparison between a treatment group receiving the intervention and a control group, similar in crucial aspects of age, ethnicity, and risk of re-offending, which did not receive the intervention.

RQ (re)imprisonment is the reduction in the (re)imprisonment rate for a treatment group following an intervention. This means RQ (re)imprisonment is the difference between the RI (re)imprisonment for the control group and the RI (re)imprisonment for the treatment group.

### RQ Comparisons this Year

The Rehabilitation Quotient is reported for several different interventions across the Public Prisons Service and the Community Probation Service. The figure shows changes in the reimprisonment rates of the treatment group compared to the control group receiving an intervention during the 2000/01 year measured over a 12-month follow-up period.

Last year the RQ was used to report results for the following programmes: Psychological treatment, Straight Thinking and Sex Offending. This year two additional programmes were included in the reporting, namely Alcohol & Drug and Violence programmes which are both delivered by community providers. The Department continues to develop its outcome measurement processes.

These results refer to interventions completed two years ago and during a period of restructuring in the Department's business and offender management processes; the Integrated



Offender Management System developed by the Department was not fully implemented during the period reflected in this analysis. The results are consistent with last year's results in that they have positive trends. The rates reported here are based only on those offenders who completed treatment and this approach is consistent with the method used last year.

The relatively small numbers of offenders in the intervention categories have not allowed for separate analysis of effectiveness for different age, gender and ethnic groups. This will be possible when larger numbers of offenders have received interventions and more offenders who have received interventions have been released.

#### **Rehabilitation Quotient – Re-imprisonment – 2000/01 – 12 Month Follow-up Percentage**

Change in re-imprisonment rate of treatment group receiving an intervention is shown below. Data includes only those offenders who have completed an intervention. Those who did not complete were re-imprisoned at a higher rate than the control group.

| Intervention Type                     | PPS  | CPS  |
|---------------------------------------|------|------|
| Psychological Treatment               | 0.03 | n/a  |
| Straight Thinking                     | 0.01 | n/a  |
| Sex Offending – Kia Marama, Te Piriti | 0.07 | n/a  |
| Alcohol & Drug – Community Providers  | 0.04 | 0.03 |
| Violence – Community Providers        | 0.03 | 0.02 |





# PART B

## FINANCIAL SUMMARY AND SERVICE PERFORMANCE INFORMATION

Statement of Responsibility

Report of the Auditor-General

Financial Statements

- Statement of Accounting Policies
- Statement of Financial Performance
- Statement of Movements in Taxpayers' Funds
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Commitments
- Statement of Contingent Liabilities
- Statement of Unappropriated Expenditure
- Statement of Departmental Expenditure and Appropriations
- Statement of Trust Monies
- Notes to the Financial Statements

Service Performance Objectives – Output Performance

- Output Class 1: Information Services
- Output Class 2: Community-based Sentences and Orders
- Output Class 3: Custody of Remand Inmates
- Output Class 4: Escorts and Custodial Supervision Services to Courts
- Output Class 5: Custodial Services
- Output Class 6: Inmate Employment
- Output Class 7: Rehabilitative Programmes and Reintegrative Services
- Output Class 8: Policy Advice and Development
- Output Class 9: Contract Management Services (Service Purchase and Monitoring)

## STATEMENT OF RESPONSIBILITY

In terms of sections 35 and 37 of the Public Finance Act 1989, I am responsible, as Chief Executive of the Department of Corrections, for the preparation of the Department's financial statements and the judgements made in the process of producing those statements.

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

In my opinion, these financial statements fairly reflect the financial position and operations of the Department for the year ended 30 June 2002.

**B**STATEMENT  
OF  
RESPONSIBILITY

Signed  
Mark Byers  
Chief Executive



Countersigned  
Rodney Barber  
Acting Chief Financial Officer

Dated 30 September 2002



## REPORT OF THE AUDITOR-GENERAL

### To the readers of the Financial Statements of the Department of Corrections for the year ended 30 June 2002.

We have audited the financial statements on pages 44 to 134. The financial statements provide information about the past financial and service performance of the Department of Corrections and its financial position as at 30 June 2002. This information is stated in accordance with the accounting policies set out on pages 44 to 50.

### Responsibilities of the Chief Executive

The Public Finance Act 1989 requires the Chief Executive to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of the Department of Corrections as at 30 June 2002, the results of its operations and cash flows and service performance achievements for the year ended on that date.

### Auditor's responsibilities

Section 15 of the Public Audit Act 2001 and section 38(1) of the Public Finance Act 1989 require the Auditor-General to audit the financial statements presented by the Chief Executive. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed A J Shaw, of Audit New Zealand, to undertake the audit.

**B**  
REPORT OF THE  
AUDITOR-GENERAL



### Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Chief Executive in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Department of Corrections' circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have carried out assurance related assignments for the Department of Corrections in the areas of tendering and project management and policies and procedures reviews. We have also carried out other assignments providing assistance to the Department of Corrections Internal Audit Group.

Other than these assignments and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in the Department of Corrections.

### Unqualified opinion

We have obtained all the information and explanations we have required.

**B**REPORT OF THE  
AUDITOR-GENERAL

In our opinion the financial statements of the Department of Corrections on pages 44 to 134:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - the Department of Corrections financial position as at 30 June 2002;
  - the results of its operations and cash flows for the year ended on that date; and
  - its service performance achievements in relation to the performance targets and other measures set out in the forecast financial statements for the year ended on that date.

Our audit was completed on 30 September 2002 and our unqualified opinion is expressed as at that date.



A J Shaw

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

## FINANCIAL STATEMENTS

### STATEMENT OF ACCOUNTING POLICIES for the year ended 30 June 2002

#### Reporting Entity

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

These are the financial statements of the Department of Corrections prepared pursuant to section 35 of the Public Finance Act 1989.

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

#### Reporting Period

The reporting period covers the 12 months from 1 July 2001 to 30 June 2002. Comparative figures for the year ended 30 June 2001 are provided.

#### Measurement System

The financial statements have been prepared on the basis of modified historical cost.

#### Accounting Policies

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

#### Principles of Consolidation

Interdivisional transactions and internal charges have been eliminated on consolidation.

#### Budget Figures

The Budget figures are those presented in the Statement of Intent (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates) and any transfer made by Order in Council under section 5 of the Public Finance Act 1989.

## Revenue

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

## Cost Allocation

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

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

## Debtors and Receivables

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

## Operating Leases

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

## Property, Plant and Equipment

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

The results of revaluing land and buildings are credited or debited to the asset revaluation reserve. Where a revaluation results in a debit balance in the revaluation reserve, the debit

balance will be expensed in the statement of financial performance.

Land and buildings were last revalued as at 30 June 2002.

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

### Forests

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

The result of revaluing forestry is credited or debited to an asset revaluation reserve for that class of asset. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the statement of financial performance.

### Depreciation

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

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

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

The useful life of buildings is reassessed following any revaluation.

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

Depreciation is not provided on capital work in progress, land or forests.

### Inventory

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

### Employee Entitlements

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

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

### Statement of Cash Flows

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

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

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

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

### Livestock

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

## Investments

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

## Foreign Currency

Foreign currency transactions are converted into New Zealand dollars at the exchange rate at the date of the transaction. Where a forward exchange contract has been used to establish the price of a transaction, the forward rate specified in that foreign exchange contract is used to convert that transaction to New Zealand dollars. Consequently, no exchange gain or loss resulting from the difference between the forward exchange contract rate and the spot exchange rate on date of settlement is recognised.

## Financial Instruments

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

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

## Goods and Services Tax (GST)

The Statement of Financial Performance, Statement of Movements in Taxpayers' Funds and Statement of Cashflows are exclusive of GST. The Statement of Financial Position is also exclusive of GST except for Creditors and Payables and Debtors and Receivables, which are GST inclusive. All other statements are GST inclusive.



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

### **Taxation**

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 1994. Accordingly, no charge for income tax has been provided for.

### **Commitments**

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

### **Contingent Liabilities**

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

### **Taxpayers' Funds**

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

### **Changes in Accounting Policies**

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

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

**STATEMENT OF FINANCIAL PERFORMANCE**  
**for the year ended 30 June 2002**

| 30/06/01       |                              |   | 30/06/02       | 30/06/02       | 30/06/02        |
|----------------|------------------------------|---|----------------|----------------|-----------------|
| Actual         |                              |   | Actual         | Main           | Supp.           |
|                |                              |   |                | Estimates      | Estimates       |
| \$000          | Notes                        |   | \$000          | \$000          | \$000           |
|                |                              |   |                |                |                 |
|                | Revenue                      |   |                |                |                 |
| 403,696        | Crown                        |   | 424,178        | 426,031        | 424,178         |
| 23,388         | Other                        | 1 | 27,738         | 20,798         | 30,433          |
|                | <b>Total operating</b>       |   |                |                |                 |
| <b>427,084</b> | <b>revenue</b>               |   | <b>451,916</b> | <b>446,829</b> | <b>454,611</b>  |
|                | Expenditure                  |   |                |                |                 |
| 203,898        | Personnel costs              | 2 | 215,337        | 201,136        | 215,676         |
| 130,918        | Operating costs              | 3 | 138,496        | 150,476        | 146,337         |
| 40,525         | Depreciation                 | 4 | 41,313         | 44,000         | 42,500          |
| 48,638         | Capital charge               | 5 | 50,098         | 51,217         | 50,098          |
| <b>423,979</b> | <b>Total output expenses</b> |   | <b>445,244</b> | <b>446,829</b> | <b>454,611</b>  |
| -              | Other expenses               | 6 | 11,559         | -              | 18,000          |
| <b>423,979</b> | <b>Total expenses</b>        |   | <b>456,803</b> | <b>446,829</b> | <b>472,611</b>  |
| <b>3,105</b>   | <b>Net surplus/(deficit)</b> |   | <b>(4,887)</b> | <b>-</b>       | <b>(18,000)</b> |

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

*For information on major variances against budget refer to Note 19 (page 66).*

**STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS**  
**for the year ended 30 June 2002**

| 30/06/01                             |   | 30/06/02       | 30/06/02       | 30/06/02        |
|--------------------------------------|---|----------------|----------------|-----------------|
| Actual                               |   | Actual         | Main           | Supp.           |
|                                      |   |                | Estimates      | Estimates       |
| \$000                                | Notes   | \$000          | \$000          | \$000           |
| <b>Taxpayers' funds</b>              |   |                |                |                 |
| <b>486,527</b>                       | <b>as at 1 July</b>                             | <b>541,859</b> | <b>539,927</b> | <b>541,859</b>  |
| 3,105                                | Net operating surplus/(deficit)                 | (4,887)        | -              | (18,000)        |
| 632                                  | Increase/(decrease) in revaluation reserves     | (959)          | -              | (430)           |
| <b>Total recognised revenues and</b> |   |                |                |                 |
| <b>3,737</b>                         | <b>expenses for the year</b>                    | <b>(5,846)</b> | <b>-</b>       | <b>(18,430)</b> |
| 54,700                               | Capital contribution                            | 30,000         | 58,300         | 30,000          |
| (3,105)                              | Provision for repayment of surplus to the Crown | (6,672)        | -              | -               |
| <b>Taxpayers' funds as at</b>        |   |                |                |                 |
| <b>541,859</b>                       | <b>30 June</b>                                  | <b>559,341</b> | <b>598,227</b> | <b>553,429</b>  |

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

*For information on major variances against budget refer to Note 19 (page 66).*

**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2002**

| 30/06/01                |                                      |    | 30/06/02       | 30/06/02       | 30/06/02       |
|-------------------------|--------------------------------------|----|----------------|----------------|----------------|
| Actual                  |                                      |    | Actual         | Main           | Supp.          |
|                         |                                      |    |                | Estimates      | Estimates      |
| \$000                   | Notes                                |    | \$000          | \$000          | \$000          |
| Taxpayers' funds        |                                      |    |                |                |                |
| 537,393                 | General funds                        | 7  | 555,834        | 595,693        | 549,393        |
| 4,466                   | Revaluation reserves                 | 7  | 3,507          | 2,534          | 4,036          |
| <b>541,859</b>          | <b>Total taxpayers' funds</b>        |    | <b>559,341</b> | <b>598,227</b> | <b>553,429</b> |
| Represented by:         |                                      |    |                |                |                |
| Current assets          |                                      |    |                |                |                |
| 55,040                  | Cash                                 | 8  | 56,972         | 4,908          | 25,837         |
| 655                     | Prepayments                          |    | 502            | 600            | 650            |
| 3,978                   | Debtors and receivables              | 9  | 2,472          | 4,150          | 3,900          |
| 3,028                   | Inventories                          |    | 3,240          | 2,400          | 3,500          |
| <b>62,701</b>           | <b>Total current assets</b>          |    | <b>63,186</b>  | <b>12,058</b>  | <b>33,887</b>  |
| Non-current assets      |                                      |    |                |                |                |
| 7,717                   | Livestock                            |    | 8,487          | 5,758          | 8,517          |
| -                       | Long-term receivables                |    | -              | 160            | -              |
| 1,844                   | Investments                          | 10 | 3,714          | 1,600          | 1,470          |
| 538,005                 | Fixed assets                         | 11 | 568,391        | 631,151        | 572,055        |
| <b>547,566</b>          | <b>Total non-current assets</b>      |    | <b>580,592</b> | <b>638,669</b> | <b>582,042</b> |
| <b>610,267</b>          | <b>Total assets</b>                  |    | <b>643,778</b> | <b>650,727</b> | <b>615,929</b> |
| Current liabilities     |                                      |    |                |                |                |
| 34,050                  | Creditors and payables               | 12 | 44,848         | 26,500         | 31,500         |
|                         | Provision for repayment              |    |                |                |                |
| 3,105                   | of surplus to the Crown              | 13 | 6,672          | -              | -              |
| 22,289                  | Employee entitlements                | 14 | 23,957         | 18,000         | 22,000         |
| <b>59,444</b>           | <b>Total current liabilities</b>     |    | <b>75,477</b>  | <b>44,500</b>  | <b>53,500</b>  |
| Non-current liabilities |                                      |    |                |                |                |
| 8,964                   | Employee entitlements                | 14 | 8,960          | 8,000          | 9,000          |
| <b>8,964</b>            | <b>Total non-current liabilities</b> |    | <b>8,960</b>   | <b>8,000</b>   | <b>9,000</b>   |
| <b>68,408</b>           | <b>Total liabilities</b>             |    | <b>84,437</b>  | <b>52,500</b>  | <b>62,500</b>  |
| <b>541,859</b>          | <b>Net assets</b>                    |    | <b>559,341</b> | <b>598,227</b> | <b>553,429</b> |

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

For information on major variances against budget refer to Note 19 (page 66).

**STATEMENT OF CASH FLOWS**  
**for the year ended 30 June 2002**

| 30/06/01                                 |                                  | 30/06/02        | 30/06/02         | 30/06/02        |
|--|----------------------------------|-----------------|------------------|-----------------|
| Actual                                   |                                  | Actual          | Main             | Supp.           |
| \$000                                    |                                  | \$000           | Estimates        | Estimates       |
|  |                                  |                 | \$000            | \$000           |
| <b>Cash flows – operating activities</b> |                                  |                 |                  |                 |
| Cash was provided from:                  |                                  |                 |                  |                 |
| Supply of outputs to                     |                                  |                 |                  |                 |
| 403,696                                  | - Crown                          | 424,178         | 426,031          | 424,178         |
| 23,341                                   | - Other                          | 25,228          | 20,798           | 30,511          |
| <b>427,037</b>                           |                                  | <b>449,406</b>  | <b>446,829</b>   | <b>454,689</b>  |
| Cash was applied to:                     |                                  |                 |                  |                 |
| Produce outputs                          |                                  |                 |                  |                 |
| 199,747                                  | - Personnel                      | 213,673         | 201,136          | 215,929         |
| 124,972                                  | - Operating                      | 134,268         | 150,476          | 150,707         |
| (1,255)                                  | - Net GST paid                   | 318             | -                | (1,297)         |
| 48,638                                   | - Capital charge                 | 50,098          | 51,217           | 50,098          |
| <b>372,102</b>                           |                                  | <b>398,357</b>  | <b>402,829</b>   | <b>415,437</b>  |
| <b>Net cash inflow/(outflow)</b>         |                                  |                 |                  |                 |
| <b>54,935</b>                            | <b>from operating activities</b> | <b>51,049</b>   | <b>44,000</b>    | <b>39,252</b>   |
| <b>Cash flows – investing activities</b> |                                  |                 |                  |                 |
| Cash provided from:                      |                                  |                 |                  |                 |
| -  | Sale of investments              | 158             | -                | -               |
| 3,978                                    | Sale of fixed assets             | 2,587           | 3,550            | 3,000           |
| Cash disbursed for:                      |                                  |                 |                  |                 |
| -  | Purchase of investments          | 431             | -                | -               |
| 489                                      | Purchase of livestock            | -               | -                | -               |
| 64,268                                   | Purchase of fixed assets         | 78,326          | 136,293          | 98,350          |
| <b>Net cash inflow/(outflow)</b>         |                                  |                 |                  |                 |
| <b>(60,779)</b>                          | <b>from investing activities</b> | <b>(76,012)</b> | <b>(132,743)</b> | <b>(95,350)</b> |
| <b>Cash flows – financing activities</b> |                                  |                 |                  |                 |
| Cash provided from:                      |                                  |                 |                  |                 |
| 54,700                                   | Capital contributions            | 30,000          | 58,300           | 30,000          |
| Cash disbursed for:                      |                                  |                 |                  |                 |
| 2,338                                    | Repayment of surplus             | 3,105           | -                | 3,105           |
| <b>Net cash inflow/(outflow)</b>         |                                  |                 |                  |                 |
| <b>52,362</b>                            | <b>from financing activities</b> | <b>26,895</b>   | <b>58,300</b>    | <b>26,895</b>   |
| 46,518                                   | Net increase/decrease            | 1,932           | (30,443)         | (29,203)        |
|  | in cash held                     |                 |                  |                 |
| 8,522                                    | Add opening cash                 | 55,040          | 35,351           | 55,040          |
| <b>55,040</b>                            | <b>Closing cash</b>              | <b>56,972</b>   | <b>4,908</b>     | <b>25,837</b>   |

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

For information on major variances against budget refer to Note 19 (page 66).

**STATEMENT OF COMMITMENTS**  
as at 30 June 2002

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

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

| 30/06/01                           |                                   | 30/06/02       |
|------------------------------------|-----------------------------------|----------------|
| Actual                             |                                   | Actual         |
| \$000                              |                                   | \$000          |
| <b>Operating lease commitments</b> |                                   |                |
| 32,923                             | Less than one year                | 24,139         |
| 22,974                             | One to two years                  | 21,867         |
| 40,363                             | Two to five years                 | 26,975         |
| 5,985                              | More than five years              | 7,132          |
| 102,245                            | Total operating lease commitments | 80,113         |
| <b>46,600</b>                      | <b>Capital commitments</b>        | <b>40,576</b>  |
| <b>148,845</b>                     | <b>Total commitments</b>          | <b>120,689</b> |

The decrease in operating commitments is largely due to the contract entered into with Australasian Correctional Management, which has the management contract of Auckland Central Remand Prison. This commitment will progressively decrease due to the contract being for a fixed term.

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

**STATEMENT OF CONTINGENT LIABILITIES**  
 as at 30 June 2002

| 30/06/01     |                                     | 30/06/02     |
|--------------|-------------------------------------|--------------|
| Actual       |                                     | Actual       |
| \$000        |                                     | \$000        |
| 3,863        | Legal proceedings                   | 5,506        |
| 1,514        | Personal grievances                 | 1,231        |
| <b>5,377</b> | <b>Total contingent liabilities</b> | <b>6,737</b> |

The Department is defending 22 legal proceedings claims by inmates and external parties as at 30 June 2002. They cover a range of areas, including Breach of NZ Bill of Rights and Breach of Contract.

The Department is also defending personal grievances made by 14 staff members.

The Department considers over 50 percent of these claims to be low risk.

**STATEMENT OF UNAPPROPRIATED EXPENDITURE**  
 for the year ended 30 June 2002

The Department had no unappropriated expenditure for the financial year ended 30 June 2002 (2001: nil).

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

**STATEMENT OF DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS**  
for the year ended 30 June 2002

(Figures are GST-inclusive where applicable)

|   | 30/06/02<br>Expenditure<br>Actual<br>\$000 | 30/06/02<br>Appropriation<br>Voted*<br>\$000 |
|---|--|--|
| <b>Vote: Corrections</b>  |  |  |
| Appropriations for classes of outputs                                 |  |  |
| D1: Information Services  | 28,468                                     | 29,072                                       |
| D2: Community-based Sentences and Orders                              | 59,768                                     | 60,731                                       |
| D3: Custody of Remand Inmates   | 51,227                                     | 51,235                                       |
| D4: Escorts and Custodial Supervision<br>Services to Courts           | 6,140                                      | 6,594  |
| D5: Custodial Services  | 259,133                                    | 262,348                                      |
| D6: Inmate Employment   | 43,174                                     | 46,545                                       |
| D7: Rehabilitative Programmes and<br>Reintegrative Services           | 43,716                                     | 43,872                                       |
| D8: Policy Advice and Development                                     | 3,969                                      | 4,190  |
| D9: Contract Management Services<br>(Service Purchase and Monitoring) | 6,140                                      | 6,852  |
| <b>Sub-total</b>  | <b>501,735</b>                             | <b>511,439</b>                               |
| <b>Appropriation for capital contributions</b>                        | <b>30,000</b>                              | <b>30,000</b>                                |
| <b>Sub-total</b>  | <b>30,000</b>                              | <b>30,000</b>                                |
| <b>Appropriation for other expenses</b>                               |  |  |
| Revaluation losses  | 11,559                                     | 18,000                                       |
| <b>Sub-total</b>  | <b>11,559</b>                              | <b>18,000</b>                                |
| <b>Total</b>  | <b>543,294</b>                             | <b>559,439</b>                               |

\*These amounts include adjustments made in the Supplementary Estimates and the following transfers under section 5 of the Public Finance Act 1989;

| Output Class  | Supplementary<br>Estimates<br>\$000 | Section 5<br>Transfers<br>\$000 | Final<br>Appropriation<br>\$000 |
|---|-------------------------------------|---------------------------------|---------------------------------|
| D5: Custodial Services                                      | 262,995                             | (647)                           | 262,348                         |
| D7: Rehabilitative Programmes<br>and Reintegrative Services | 43,225                              | 647                             | 43,872                          |
| Net Adjustment  |                                     | 0                               |                                 |

The transfers were made because the Department was trying to achieve output targets for programme hours. A transfer from the Custodial Services Output Class was possible due to lower-than-anticipated muster levels.

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



**STATEMENT OF TRUST MONIES**  
 for the year ended 30 June 2002

| Account      | As at<br>01/07/01 | Contribution | Distribution | Revenue  | Expenses | As at<br>30/06/02 |
|--------------|-------------------|--------------|--------------|----------|----------|-------------------|
|              | \$000             | \$000        | \$000        | \$000    | \$000    | \$000             |
| Prison Trust | 357               | 6,539        | 6,543        | -        | -        | 353               |
| Accounts     |                   |              |              |          |          |                   |
|              | <b>357</b>        | <b>6,539</b> | <b>6,543</b> | <b>-</b> | <b>-</b> | <b>353</b>        |

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

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

# NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2002

## Note 1: Other Revenue

| 30/06/01      |                            | 30/06/02      | 30/06/02          | 30/06/02           |
|---------------|----------------------------|---------------|-------------------|--------------------|
| Actual        |                            | Actual        | Main<br>Estimates | Supp.<br>Estimates |
| \$000         |                            | \$000         | \$000             | \$000              |
| 18,085        | Timber and livestock       | 18,201        | 17,289            | 19,446             |
| 731           | Rents                      | 1,000         | 1,009             | 1,009              |
| 4,440         | Prison industry sales      | 8,397         | 2,500             | 9,978              |
| 132           | Other                      | 140           | -                 | -                  |
| <b>23,388</b> | <b>Total other revenue</b> | <b>27,738</b> | <b>20,798</b>     | <b>30,433</b>      |

## Note 2: Personnel Costs

| 30/06/01       |                                      | 30/06/02       | 30/06/02          | 30/06/02           |
|----------------|--------------------------------------|----------------|-------------------|--------------------|
| Actual         |                                      | Actual         | Main<br>Estimates | Supp.<br>Estimates |
| \$000          |                                      | \$000          | \$000             | \$000              |
| 202,012        | Salaries and wages                   | 214,517        | 201,136           | 215,676            |
| 1,886          | Retirement and long<br>service leave | 820            | -                 | -                  |
| <b>203,898</b> | <b>Total personnel costs</b>         | <b>215,337</b> | <b>201,136</b>    | <b>215,676</b>     |

## Note 3: Operating Costs

| 30/06/01       |  | 30/06/02       | 30/06/02          | 30/06/02           |
|----------------|--|----------------|-------------------|--------------------|
| Actual         |  | Actual         | Main<br>Estimates | Supp.<br>Estimates |
| \$000          |  | \$000          | \$000             | \$000              |
| 6,595          | Operating lease rentals  | 7,306          | 7,114             | 7,162              |
| 210            | Audit fees to auditors for<br>audit of the financial<br>statements | 210            | 241               | 210                |
| 16             | Fees to auditors for other<br>services provided                    | 104            | -                 | -                  |
| 20,098         | Facilities maintenance   | 20,865         | 19,220            | 19,465             |
| 29,669         | Offender management<br>costs                                       | 20,427         | 23,114            | 22,916             |
| 12,458         | Computer costs   | 12,865         | 10,736            | 11,445             |
| 16,986         | Contract management  | 15,352         | 15,541            | 15,557             |
| 24,213         | Administration   | 37,230         | 44,645            | 43,063             |
| 20,596         | Other operating costs  | 23,350         | 29,865            | 26,519             |
| 77             | Loss on sale of fixed<br>assets                                    | 787            | -                 | -                  |
| <b>130,918</b> | <b>Total operating costs</b>                                       | <b>138,496</b> | <b>150,476</b>    | <b>146,337</b>     |

Contract management represents contracts with Australasian Correctional Management Limited, Chubb New Zealand Limited and New Zealand Prisoners' Aid and Rehabilitation Society.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2002 continued

#### Note 4: Depreciation

| 30/06/01      |                                  | 30/06/02      | 30/06/02      | 30/06/02      |
|---------------|----------------------------------|---------------|---------------|---------------|
| Actual        |                                  | Actual        | Main          | Supp.         |
|               |                                  |               | Estimates     | Estimates     |
| \$000         |                                  | \$000         | \$000         | \$000         |
| 24,496        | Buildings                        | 25,871        | 26,300        | 25,750        |
| 1,110         | Leasehold improvements           | 742           | 800           | 700           |
| 2,130         | Plant and equipment              | 2,320         | 4,000         | 2,650         |
| 421           | Furniture and fittings           | 550           | 900           | 1,500         |
| 9,289         | Computer equipment               | 8,514         | 9,000         | 8,400         |
| 3,079         | Motor vehicles                   | 3,316         | 3,000         | 3,500         |
| <b>40,525</b> | <b>Total depreciation charge</b> | <b>41,313</b> | <b>44,000</b> | <b>42,500</b> |

#### Note 5: Capital Charge

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

The capital charge rate for the year ended 30 June 2002 was 9% per annum (2001: 10%).

#### Note 6: Other Expenses

| 30/06/01 |                             | 30/06/02      | 30/06/02  | 30/06/02      |
|----------|-----------------------------|---------------|-----------|---------------|
| Actual   |                             | Actual        | Main      | Supp.         |
|          |                             |               | Estimates | Estimates     |
| \$000    |                             | \$000         | \$000     | \$000         |
| -        | Revaluation losses          | 11,559        | -         | 18,000        |
|          | <b>Total other expenses</b> | <b>11,559</b> | <b>-</b>  | <b>18,000</b> |

The revaluation losses incurred were for the net result of the revaluation of land and buildings.

#### Note 7: Taxpayers' Funds

Taxpayers' Funds comprises two components:

General Funds

| 30/06/01       |   | 30/06/02       | 30/06/02       | 30/06/02       |
|----------------|---|----------------|----------------|----------------|
| Actual         |   | Actual         | Main           | Supp.          |
|                |   |                | Estimates      | Estimates      |
| \$000          |   | \$000          | \$000          | \$000          |
| 482,693        | General funds as at 1 July                      | 537,393        | 537,393        | 537,393        |
| 3,105          | Net operating surplus/(deficit)                 | (4,887)        | -              | (18,000)       |
| 54,700         | Capital contribution                            | 30,000         | 58,300         | 30,000         |
| <b>57,805</b>  |   | <b>25,113</b>  | <b>58,300</b>  | <b>12,000</b>  |
| (3,105)        | Provision for repayment of surplus to the Crown | (6,672)        | -              | -              |
|                | <b>General funds</b>                            |                |                |                |
| <b>537,393</b> | <b>as at 30 June</b>                            | <b>555,834</b> | <b>595,693</b> | <b>549,393</b> |

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2002 continued

**Revaluation Reserve**

| 30/06/01     |                   | 30/06/02     | 30/06/02   | 30/06/02    | 30/06/02     |
|--------------|-------------------|--------------|------------|-------------|--------------|
| Total        |                   | Livestock    | Forests    | Investments | Total        |
| Actual       |                   |              |            |             | Actual       |
| \$000        |                   | \$000        | \$000      | \$000       | \$000        |
| 3,834        | Balance           | 2,448        | 1,587      | 431         | 4,466        |
|              | brought forward   |              |            |             |              |
| 632          | Revaluation       | 174          | (702)      | (431)       | (959)        |
|              | changes at        |              |            |             |              |
|              | 30 June           |              |            |             |              |
| <b>4,466</b> | <b>Balance at</b> | <b>2,622</b> | <b>885</b> | <b>0</b>    | <b>3,507</b> |
|              | <b>30 June</b>    |              |            |             |              |

There was no movement in land and buildings reserves this year.

**Note 8: Cash**

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

**Note 9: Debtors and Receivables**

| 30/06/01     |                                      | 30/06/02     |
|--------------|--------------------------------------|--------------|
| Actual       |                                      | Actual       |
| \$000        |                                      | \$000        |
| 4,008        | Trade debtors                        | 2,849        |
| 205          | Other                                | 9            |
| (235)        | Provision for doubtful debts         | (386)        |
| <b>3,978</b> | <b>Total debtors and receivables</b> | <b>2,472</b> |

**Note 10: Investments**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
 for the year ended 30 June 2002 continued

**Note 11: Fixed Assets**

| 30/06/01       |  | 30/06/02       |
|----------------|--|----------------|
| Actual         |  | Actual         |
| \$000          |  | \$000          |
|                | Freehold land                                    |                |
| 5,403          | At cost  | -              |
| 56,166         | At valuation – 30 June 2002                      | 74,375         |
| <b>61,569</b>  | <b>Land – net current value</b>                  | <b>74,375</b>  |
|                | Buildings  |                |
| 150,003        | At cost  | -              |
| 263,127        | At valuation – 30 June 2002                      | 344,576        |
| (43,683)       | Accumulated depreciation                         | -              |
| <b>369,447</b> | <b>Buildings – net current value</b>             | <b>344,576</b> |
|                | Leasehold improvements                           |                |
| 6,971          | At cost  | 6,636          |
| (4,933)        | Accumulated depreciation                         | (4,265)        |
| <b>2,038</b>   | <b>Leasehold improvements – net book value</b>   | <b>2,371</b>   |
|                | Forests  |                |
| 36,979         | At valuation                                     | 38,427         |
| <b>36,979</b>  | <b>Forests – net book value</b>                  | <b>38,427</b>  |
|                | Plant and equipment                              |                |
| 25,346         | At cost  | 25,725         |
| (15,048)       | Accumulated depreciation                         | (16,321)       |
| <b>10,298</b>  | <b>Plant and equipment – net book value</b>      | <b>9,404</b>   |
|                | Furniture and fittings                           |                |
| 5,313          | At cost  | 5,713          |
| (3,789)        | Accumulated depreciation                         | (4,038)        |
| <b>1,524</b>   | <b>Furniture and fittings – net book value</b>   | <b>1,675</b>   |
|                | Computer equipment                               |                |
| 49,412         | At cost  | 60,688         |
| (27,582)       | Accumulation depreciation                        | (34,782)       |
| <b>21,830</b>  | <b>Computer equipment – net book value</b>       | <b>25,906</b>  |
|                | Motor vehicles                                   |                |
| 26,565         | At cost  | 28,838         |
| (12,030)       | Accumulated depreciation                         | (13,439)       |
| <b>14,535</b>  | <b>Motor vehicles – net book value</b>           | <b>15,399</b>  |
|                | Items under construction                         |                |
| 7,915          | Buildings  | 43,128         |
| 11,870         | Computer equipment                               | 13,130         |
| <b>19,785</b>  | <b>Items under construction – net book value</b> | <b>56,258</b>  |
|                | Total fixed assets                               |                |
| 645,070        | At cost and valuation                            | 641,236        |
| (107,065)      | Accumulated depreciation                         | (72,845)       |
| <b>538,005</b> | <b>Total carrying amount of fixed assets</b>     | <b>568,391</b> |

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2002 continued

Freehold land and buildings have been valued at fair value as at 30 June 2002 by an independent registered valuer, *valuersnet.NZ*.

The annual valuation of forests was undertaken by Departmental staff and was reviewed by an independent registered valuer, P F Olsen and Company Limited, on 30 June 2002.

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

**Note 12: Creditors and Payables**

| 30/06/01      |                                     | 30/06/02      |
|---------------|-------------------------------------|---------------|
| Actual        |                                     | Actual        |
| \$000         |                                     | \$000         |
| 9,723         | Trade creditors                     | 11,674        |
| 21,530        | Accrued expenses                    | 30,695        |
| 2,797         | GST payable                         | 2,479         |
| <b>34,050</b> | <b>Total creditors and payables</b> | <b>44,848</b> |

**Note 13: Provision for Repayment of Surplus to the Crown**

| 30/06/01     |  | 30/06/02     |
|--------------|--|--------------|
| Actual       |  | Actual       |
| \$000        |  | \$000        |
| 3,105        | Net surplus/(deficit)  | (4,887)      |
| -            | Add: Other expenses (not for production of outputs) (Note 6) | 11,559       |
| 3,105        | Net surplus from delivery of outputs                         | 6,672        |
| <b>3,105</b> | <b>Total provision for repayment of surplus to the Crown</b> | <b>6,672</b> |

**NOTES TO THE FINANCIAL STATEMENTS**  
 for the year ended 30 June 2002 continued

**Note 14: Employee Entitlements**

| 30/06/01      |  | 30/06/02      |
|---------------|--|---------------|
| Actual        |  | Actual        |
| \$000         |  | \$000         |
|               | Current liabilities                              |               |
| 6,609         | Retirement and long service leave                | 7,279         |
| 15,680        | Annual leave                                     | 16,678        |
| <b>22,289</b> | <b>Total current portion</b>                     | <b>23,957</b> |
|               | Non-current liabilities                          |               |
| 8,964         | Retirement and long service leave                | 8,960         |
| <b>8,964</b>  | <b>Total non-current portion</b>                 | <b>8,960</b>  |
| <b>31,253</b> | <b>Total provision for employee entitlements</b> | <b>32,917</b> |

**Note 15: Reconciliation of Net Surplus to Net Cash Flow from Operating Activities for the year ended 30 June 2002**

| 30/06/01      |  | 30/06/02      | 30/06/02      | 30/06/02       |
|---------------|--|---------------|---------------|----------------|
| Actual        |  | Actual        | Main          | Supp.          |
| \$000         |  | \$000         | Estimates     | Estimates      |
| \$000         |  | \$000         | \$000         | \$000          |
| 3,105         | Net surplus/(deficit)                          | (4,887)       | -             | (18,000)       |
|               | Add/(less) non-cash items                      |               |               |                |
| 40,525        | Depreciation                                   | 41,313        | 44,000        | 42,500         |
| 988           | Inc/(dec) in non-current employee entitlements | (4)           | -             | 36             |
| (303)         | Inc/(dec) other non-cash items                 | 6,776         | -             | 18,000         |
| <b>41,210</b> | <b>Total non-cash items</b>                    | <b>48,085</b> | <b>44,000</b> | <b>60,536</b>  |
|               | Working capital movements                      |               |               |                |
| 188           | (Inc)/dec in receivables                       | 1,506         | -             | 78             |
| (997)         | (Inc)/dec in inventories                       | (212)         | -             | (472)          |
| (203)         | (Inc)/dec in prepayments                       | 153           | -             | 5              |
| 7,392         | Inc/(dec) in creditors and payables            | 3,949         | -             | (2,550)        |
| 4,163         | Inc/(dec) in employee entitlements             | 1,668         | -             | (289)          |
| -             | Other items                                    | -             | -             | (56)           |
| <b>10,543</b> | <b>Working capital movements – net</b>         | <b>7,064</b>  | <b>-</b>      | <b>(3,284)</b> |
| -             | Add/(less) investing activity items            | -             | -             | -              |
| 77            | Net loss/(gain) on sale of fixed assets        | 787           | -             | -              |
| <b>77</b>     | <b>Total investing activity items</b>          | <b>787</b>    | <b>-</b>      | <b>-</b>       |
| <b>54,935</b> | <b>Net cash flow from operating activities</b> | <b>51,049</b> | <b>44,000</b> | <b>39,252</b>  |

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2002 continued

### Note 16: Financial Instruments

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

#### Credit risk

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

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

#### Fair value

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

#### Currency risk

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

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could impact on the return on investments or the cost of borrowing. The Department has no significant exposure to interest rate risk on its financial instruments. Under section 46 of the Public Finance Act the Department cannot raise a loan without Ministerial approval and no such loans have been raised. Accordingly, there is no interest rate exposure for funds borrowed.

### Note 17: Contingencies

The Department does not have any contingent assets as at 30 June 2002 (30 June 2001: nil).

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

### Note 18: Related Party Information

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

The Department enters into numerous transactions with other government departments, Crown agencies and state-owned enterprises on an "arm's length" basis. Where those parties are acting in the course of their normal



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2002 continued

dealings with the Department, related party disclosures have not been made for transactions of this nature.

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

### Note 19: Major Budget Variations

#### Statement of Financial Performance

The increase in personnel costs and corresponding decrease in operating costs is the result of a realignment in the Supplementary Estimates to more accurately reflect the Department's expenditure. Operating costs were also lower-than-expected due to lower-than-anticipated muster levels.

Explanations for major variations from the initial Budget Night Estimates were outlined in the Supplementary Estimates. They were:

#### Output D6 – Inmate Employment

The appropriation for this output class was increased due to new inmate employment activities, the expansion of existing activities, farming productivity increases and higher external manufacturing sales.

#### Output D5 – Custodial Services

The appropriation for this output class was decreased due to savings in capital charge as a result of transferring \$39.3 million of capital to 2003/04.

#### Statement of Financial Position, Statement of Movement in Taxpayers' Funds (and Cash Flows)

General funds are less than projected in the Mains Estimates process due to the transfer of capital contributions from 2001/2002 to 2003/2004.

The increase in cash reflects the decrease in fixed assets. This is also reflected in the Statement of Cash Flows. While the cash received in respect of operating activities was close to budget, the net cash outflow from investing activities was approximately \$56.7 million less than budgeted. This resulted in an increased closing cash position.

Creditors and payables were higher than projected in the Mains Estimates primarily due to timing issues arising from when payments were made at the end of the financial year.

### Note 20: Post Balance Date Events

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

## SERVICE PERFORMANCE OBJECTIVES – OUTPUT PERFORMANCE

*for the year ended 30 June 2002*

### OUTPUT CLASS 1: INFORMATION SERVICES

This output class covers the provision of information as requested by the courts, the Parole Board and District Prisons Boards to inform their respective decision-making processes. It includes the provision of psychological reports, remand pre-sentence reports, reparation reports, community programme agreements, same-day reports, home detention reports and assessments, oral information reports and home leave reports. Special purpose reports and advice are prepared for other relevant entities, including Community Probation Magistrates. Also included is the time Probation Officers spend attending court and Status Court hearings.

**Output Class Statement: Information Services**  
**for the year ended 30 June 2002**

| 30/06/01      |                       | 30/06/02      | Main          | Supp.         |
|---------------|-----------------------|---------------|---------------|---------------|
| Actual        |                       | Actual        | Estimates     | Estimates     |
| \$000         |                       | \$000         | \$000         | \$000         |
|               | Revenue               |               |               |               |
| 24,299        | Crown                 | 25,842        | 23,974        | 25,842        |
| 0             | Other                 | 0             | 0             | 0             |
| <b>24,299</b> | <b>Total Revenue</b>  | <b>25,842</b> | <b>23,974</b> | <b>25,842</b> |
| <b>24,221</b> | <b>Total Expenses</b> | <b>25,238</b> | <b>23,974</b> | <b>25,842</b> |
| <b>78</b>     | <b>Net Surplus</b>    | <b>604</b>    | <b>0</b>      | <b>0</b>      |

### Information and Advice to Courts

This output entails the preparation of reports that provide the sentencing judge with information on offenders, to assist with the sentencing process. Also included is the time a Probation Officer spends attending court. This service includes attendance at arrests, attendance at court and court prosecutions, and at sentencing resulting from Community Probation initiated proceedings; and the time spent at, and preparation of reports for, Status Courts and Community Magistrates' Courts.

#### Output Information and Advice to Courts

|  | Budget        | Actual | Variance       |
|--|---------------|--------|----------------|
| <b>Quantity</b>  |               |        |                |
| The number of reports to courts <sup>8</sup> :   | 33,964-37,538 | 31,509 | 2,455<br>(-7%) |
| The number of hours for attendance at courts:  | 49,545-54,761 | 54,465 | Nil            |
| <b>Quality</b>   |               |        |                |
| The percentage of reports provided to the following standards contained in the relevant service descriptions and Community Probation Service Manual to be no less than:  | 95%           | 93%    | -2%            |
| <ul style="list-style-type: none"> <li>• reports to specified formats and in writing</li> <li>• verification process specified/or rationale for the lack of verification</li> <li>• concise, logical and grammatically correct</li> <li>• clear statement of recommendation consistent with the law</li> </ul> |               |        |                |
| The number of written complaints from judges to be no more than:   | 15            | 2      | -13<br>(-87%)  |
| <b>Timeliness</b>  |               |        |                |
| The percentage of reports to courts provided to a timetable set through service level agreements to be no less than:   | 98%           | 91%    | -7%            |

#### Comment

This is a demand-driven output. While the number of reports requested was less than originally expected it was consistent with numbers produced in previous years.

<sup>8</sup> Reports include pre-sentence, reparation, community programme agreements, same-day and oral information reports.

With regard to court requirements concerning the timing of the delivery of reports, these vary across the country to fit with local operating regimes. This is particularly relevant in more rural locations where courts do not operate on a daily basis as they do in larger areas. This means that while the Community Probation Service is meeting the requirements of courts at the local area level, they are not consistently able to attain the national standard. The Department is currently in the process of renegotiating its national Service Level Agreement with the Department for Courts. These negotiations include reviewing the current timeliness standards covering the delivery of reports by the Community Probation Service to the courts to accommodate local variations.

It should also be noted that the timeliness standard has been impacted on by new processes for pre-sentence report assessments (as part of IOM). The report process is taking longer as staff make the transition from training to practice.

## The Provision of Home Leave Reports

This output entails the provision of home leave reports including investigating the suitability of the sponsor and residence. Community reaction to the planned home leave by an inmate is also assessed.

### Output The Provision of Home Leave Reports

|  | Budget      | Actual | Variance   |
|--|-------------|--------|------------|
| Quantity   |             |        |            |
| The number of home leave reports:  | 1,267-1,339 | 1,407  | 68<br>(5%) |
| Quality  |             |        |            |
| The percentage of home leave reports provided to the following standards contained in the relevant service descriptions and Community Probation Service Manual to be no less than: | 98%         | 96%    | -2%        |
| <ul style="list-style-type: none"> <li>• reports completed and all questions addressed</li> <li>• concise, logical and grammatically correct</li> </ul>                            |             |        |            |
| Timeliness   |             |        |            |
| The percentage of home leave reports provided within two weeks of request to be no less than:  | 98%         | 96%    | -2%        |

### Comment

Home leave reports are demand driven, and are prepared in response to requests from the Public Prisons Service as required.

**B**

OUTPUT  
PERFORMANCE

## Home Detention Assessments

This output entails the preparation of reports to the Parole Board or District Prisons Boards. The reports are to meet the application criteria, including an assessment of the rehabilitative needs of the offender and the suitability to serve their sentence under home detention.

| Output Home Detention Assessments   |             |        |               |
|---|-------------|--------|---------------|
|   | Budget      | Actual | Variance      |
| <b>Quantity</b>   |             |        |               |
| The number of home detention specialist reports:  | 2,200-2,400 | 1,972  | 228<br>(-10%) |
| <b>Quality</b>  |             |        |               |
| The percentage of home detention specialist reports provided to the following standards contained in the relevant service descriptions and Community Probation Service Manual to be no less than:   |             |        |               |
|   | 98%         | 97%    | -1%           |
| <ul style="list-style-type: none"> <li>• written reports in a specified format</li> <li>• verification process specified or reason for no verification</li> <li>• concise, logical and grammatically correct</li> <li>• statement of recommendations consistent with the law</li> </ul> |             |        |               |
| <b>Timeliness</b>   |             |        |               |
| The percentage of home detention specialist reports provided within two weeks of request to be no less than:  |             |        |               |
|   | 98%         | 98%    | Nil           |

### Comment

The Community Probation Service is writing less reports per successful release decision than at the start of the scheme and this indicates the continued confidence and use of home detention by the judiciary and the Boards. This combined with a lower number of overall requests for home detention assessments has contributed to the year-end result.

**B**  
OUTPUT  
PERFORMANCE

## Information and Advice to the Parole Board and District Prisons Boards

This output entails the preparation of parole programme reports that provide information to the Parole Board or District Prisons Boards about an inmate's proposed residence and work, and the potential programmes that the inmate could undertake on release from prison.

### Output Information and Advice to the Parole Board and District Prisons Boards

|   | Budget      | Actual | Variance    |
|---|-------------|--------|-------------|
| <b>Quantity</b>   |             |        |             |
| The number of Parole Board and District Prisons Boards reports from   |             |        |             |
| • Public Prisons Service:   | 4,181-4,619 | 4,732  | 113<br>(2%) |
| • Community Probation Service:  | 2,200-2,400 | 2,459  | 59<br>(2%)  |
| <b>Quality</b>  |             |        |             |
| The percentage of Parole Board and District Prisons Boards reports provided to the following standards contained in the relevant service descriptions and Community Probation Service Manual to be no less than:  | 98%         | 94%    | -4%         |
| • reports in a specified format and in writing  |             |        |             |
| • verification process specified/or rationale for the lack of verification  |             |        |             |
| • concise, logical and grammatically correct  |             |        |             |
| • statement of recommendations consistent with the law  |             |        |             |
| The percentage of Parole Board and District Prisons Boards reports provided to the following standards contained in relevant service descriptions, Public Prisons Service Manual and Public Prisons Service Sentence Management Manual:                         | 100%        | 99%    | -1%         |
| • Reports are clear and concise, identifying major points to enable the Board to make a decision on the inmate's release.   |             |        |             |
| • The reports must identify whether statements are fact or opinion; findings are to be derived from the body of the report; recommendations are to address issues, be capable of being implemented and demonstrate that they will achieve the results required. |             |        |             |
| • Each inmate is involved in the development of his or her report.  |             |        |             |
| • Reports for the Parole Board are provided at least one month before the Board sits.   |             |        |             |

# B

OUTPUT  
PERFORMANCE

|  | Budget | Actual | Variance |
|--|--------|--------|----------|
| Timeliness   |        |        |          |
| The percentage of Parole Board and District Prisons Boards reports provided within the deadlines set by the Boards for |        |        |          |
| • Public Prisons Service:  | 100%   | 99%    | -1%      |
| • Community Probation Service:   | 98%    | 92%    | -6%      |

#### Comment

The Community Probation Service's performance against the timeliness standard has continued to improve throughout the year. Integrated Offender Management implementation, the associated training of staff, and changes to processes have impacted on the timeliness standard at times.



## Psychological Service Information and Advice to Courts, the Parole Board and District Prisons Boards

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

### Output Psychological Service Information and Advice to Courts, the Parole Board and District Prisons Boards

|  | Budget  | Actual | Variance      |
|--|---------|--------|---------------|
| <b>Quantity</b>  |         |        |               |
| The number of Parole Board and District Prisons Boards reports:  | 440-486 | 573    | 87<br>(18%)   |
| The number of reports to courts:   | 114-126 | 102    | -12<br>(-11%) |
| <b>Quality</b>   |         |        |               |
| The percentage of Parole Board and District Prisons Boards reports provided to the following standards contained in service descriptions and Psychological Service Manual to be no less than:  | 98%     | 100%   | 2%            |
| The percentage of reports to courts provided to the following standards contained in the service descriptions and Psychological Service Manual and to be no less than:   | 98%     | 100%   | 2%            |
| <ul style="list-style-type: none"> <li>• completed to a specified format and in writing</li> <li>• concise, logical and grammatically correct</li> <li>• source and reason for referral are clearly stated</li> <li>• all relevant and appropriate information included</li> <li>• sources of information well documented and verified</li> <li>• clear statement of recommendations for further investigation</li> <li>• complies with the Code of Ethics of the NZ Psychological Society 1986</li> </ul> |         |        |               |
| <b>Timeliness</b>  |         |        |               |
| The percentage of reports to courts provided to a timetable set through service level agreements to be:  | 100%    | 100%   | Nil           |
| The percentage of Parole Board and District Prisons Boards reports provided within deadlines set by the Boards to be:  | 100%    | 96%    | -4%           |

#### Comment

The number of Parole and District Prisons Boards reports required is demand driven. The Department prepares reports as they are requested.

# B

OUTPUT  
PERFORMANCE

## OUTPUT CLASS 2: COMMUNITY-BASED SENTENCES AND ORDERS

This output class provides for the management and delivery of community-based sentences and orders through sentence management and sentence compliance services. Included as part of these services are supervision, community programmes, community service, periodic detention, home detention, habilitation centres and parole.

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

**Output Class Statement: Community-based Sentences and Orders**  
for the year ended 30 June 2002

| 30/06/01      |                       | 30/06/02      | Main          | Supp.         |
|---------------|-----------------------|---------------|---------------|---------------|
| Actual        |                       | Actual        | Estimates     | Estimates     |
| \$000         |                       | \$000         | \$000         | \$000         |
|               | Revenue               |               |               |               |
| 50,160        | Crown                 | 53,983        | 50,680        | 53,983        |
| 0             | Other                 | 0             | 0             | 0             |
| <b>50,160</b> | <b>Total Revenue</b>  | <b>53,983</b> | <b>50,680</b> | <b>53,983</b> |
| <b>50,061</b> | <b>Total Expenses</b> | <b>53,020</b> | <b>50,680</b> | <b>53,983</b> |
| <b>99</b>     | <b>Net Surplus</b>    | <b>963</b>    | <b>0</b>      | <b>0</b>      |

## Community Service Sentences

This output ensures that an offender sentenced to community service completes the sentenced number of hours work within the community. The type of service that can be performed is specified in the Criminal Justice Act 1985.

### Output Community Service Sentences

|  | Budget      | Actual | Variance     |
|--|-------------|--------|--------------|
| Quantity   |             |        |              |
| The number of community service sentences:   | 8,195-9,057 | 7,557  | 638<br>(-8%) |
| Quality  |             |        |              |
| The percentage of offenders who successfully complete a community service sentence to be no less than: | 74%         | 67%    | -7%          |

### Comment

The number of community service sentences imposed during the year continued the downward trend evidenced over the last three years, which is partly due to changes in offending and sentencing patterns. Changes during the year to the fines collection and enforcement system by the Department for Courts will also have impacted on volumes for this sentence.

All community service sentences are subject to a number of conditions with which offenders must comply. Closer scrutiny of individual cases during the year resulted in an increase in the number of offenders identified as not having completed all of these conditions, in order that appropriate enforcement action might be taken.

Following the introduction of the Sentencing Act 2002, the sentence of community service is no longer available.

**B**

OUTPUT  
PERFORMANCE

## Community Programme Sentences

This output ensures that offenders sentenced to community programmes, over a given period of time, either attend a rehabilitation or reintegration programme or are placed in the care of an approved ethnic group or person, so they can positively address the reasons for their offending.

| Output Community Programme Sentences   |  | Budget  | Actual | Variance      |
|--|--|---------|--------|---------------|
| <b>Quantity</b>  |  |         |        |               |
| The number of community programme sentences:   |  | 245-269 | 180    | -65<br>(-27%) |
| <b>Quality</b>   |  |         |        |               |
| The percentage of offenders who successfully complete a community programme sentence to be no less than: |  | 60%     | 70%    | 10%           |

### Comment

The numbers of community programme sentences has continued to decline in recent years.

Following the introduction of the Sentencing Act 2002, the option of being sentenced to a community programme is no longer available.

## Supervision Sentences

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

### Output Supervision Sentences

|  | Budget      | Actual | Variance         |
|--|-------------|--------|------------------|
| <b>Quantity</b>  |             |        |                  |
| The number of supervision sentences:   | 8,783-9,707 | 6,796  | -1,987<br>(-23%) |
| <b>Quality</b>   |             |        |                  |
| The percentage of offenders who comply with the special conditions imposed as part of their sentence to be no less than: | 68%         | 67%    | -1%              |

### Comment

Reduced volumes are in keeping with a downward trend that has been in evidence over recent years, which is partly due to changes in offending and sentencing patterns. Improved assessment and recommendations to courts in respect of sentencing offenders, following the introduction of Integrated Offender Management, has also impacted on this. This has seen the sentence of supervision being recommended more for offenders assessed as having a moderate to high risk of re-offending and who require rehabilitative and reintegrative interventions.

# B

OUTPUT  
PERFORMANCE

## Periodic Detention Sentences

This output entails the administering of the sentence of periodic detention, which provides reparation to the community.

Offenders sentenced to periodic detention report for a minimum of eight hours and a maximum of 18 hours per week. During that time they work in groups in the community and/or can undertake rehabilitative or reintegrative programmes. The type of work that can be performed is specified in the Criminal Justice Act 1985.

| Output Periodic Detention Sentences   |  | Budget        | Actual | Variance |
|---|--|---------------|--------|----------|
| Quantity  |  |               |        |          |
| The number of periodic detention sentences:   |  | 19,352-21,984 | 20,404 | Nil      |
| Quality   |  |               |        |          |
| The percentage of offenders who successfully complete a periodic detention sentence to be no less than: |  | 70%           | 70%    | Nil      |

### Comment

Following the introduction of the Sentencing Act 2002, the sentence of periodic detention is no longer available.

### Home Detention Orders

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

| Output   | Home Detention Orders |        |          |
|--|-----------------------|--------|----------|
|  | Budget                | Actual | Variance |
| Quantity   |                       |        |          |
| The number of offenders directed to complete a home detention order:   | 803-887               | 861    | Nil      |
| Quality  |                       |        |          |
| The percentage of offenders on programmes which address their rehabilitative needs, or are in employment to be no less than: | 95%                   | 91%    | -4%      |

# B

OUTPUT  
PERFORMANCE

## Habilitation Centre Orders

This output entails the administering of an offender's attendance at a residential habilitation centre as part of an order by the Parole Board or a District Prisons Board.

### Output Habilitation Centre Orders

|  | Budget | Actual | Variance   |
|--|--------|--------|------------|
| Quantity   |        |        |            |
| The number of offenders directed to undertake a habilitation centre order:                                 | 40-60  | 69     | 9<br>(15%) |
| Quality  |        |        |            |
| The percentage of offenders who successfully undertake their habilitation centre order to be no less than: | 60%    | 78%    | 18%        |

### Comment

A larger-than-expected number of offenders were assessed as being suitable for placement at a habilitation centre, than was originally anticipated.

Although the overall percentage of offenders successfully completing is pleasing, further work is underway to ensure that it is consistently achieved across each of the habilitation centres.



### Parole Board Orders

This output entails the administering of an order imposed by the Parole Board, which is administered by a Probation Officer. The degree of offender management received by parolees is intense and undertaken by the Community Probation Service. It includes:

- a Probation Officer meeting regularly and working closely with an offender subject to a parole order, and ensuring that special conditions imposed by the Board are fulfilled
- in-depth interventions such as rehabilitation programmes or reintegration services.

#### Output Parole Board Orders

|   | Budget  | Actual | Variance     |
|---|---------|--------|--------------|
| <b>Quantity</b>   |         |        |              |
| The number of inmates directed to complete a parole order:  | 190-210 | 320    | 110<br>(52%) |
| <b>Quality</b>  |         |        |              |
| The percentage of offenders who comply with the special conditions imposed as part of their order to be no less than: | 65%     | 79%    | 14%          |

#### Comment

A higher number of offenders have qualified for release by the Parole Board than anticipated. Integrated Offender Management is providing a more focused approach to identifying special conditions to address rehabilitative needs of offenders and for more intensive sentence management processes, which is reflected in increased compliance with special conditions.

# B

OUTPUT  
PERFORMANCE

## District Prisons Boards Orders

This output entails administering an order imposed by a District Prisons Board, administered by a Probation Officer. It may include:

- a Probation Officer meeting regularly and working closely with an offender subject to a parole order, and ensuring that special conditions imposed by the Boards are fulfilled
- in-depth interventions such as rehabilitation programmes or reintegration services or counselling.

| Output District Prisons Boards Orders   |             |        |               |
|---|-------------|--------|---------------|
|   | Budget      | Actual | Variance      |
| <b>Quantity</b>   |             |        |               |
| The number of inmates directed to complete a District Prisons Boards parole order:                                    | 2,184-2,412 | 2,073  | -111<br>(-5%) |
| <b>Quality</b>  |             |        |               |
| The percentage of offenders who comply with the special conditions imposed as part of their order to be no less than: | 65%         | 71%    | 6%            |

### Comment

A lower number of offenders than expected were released by the District Prisons Boards.

Integrated Offender Management is providing a more focused approach to identifying special conditions to address rehabilitative needs of offenders and for more intensive sentence management processes, which is leading to increased compliance with sentence conditions.

### OUTPUT CLASS 3: CUSTODY OF REMAND INMATES

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

**Output Class Statement: Custody of Remand Inmates**  
for the year ended 30 June 2002

| 30/06/01      |                       | 30/06/02      | Main          | Supp.         |
|---------------|-----------------------|---------------|---------------|---------------|
| Actual        |                       | Actual        | Estimates     | Estimates     |
| \$000         |                       | \$000         | \$000         | \$000         |
|               | Revenue               |               |               |               |
| 42,696        | Crown                 | 45,542        | 40,031        | 45,542        |
| 0             | Other                 | 0             | 0             | 0             |
| <b>42,696</b> | <b>Total Revenue</b>  | <b>45,542</b> | <b>40,031</b> | <b>45,542</b> |
| <b>42,673</b> | <b>Total Expenses</b> | <b>45,534</b> | <b>40,031</b> | <b>45,542</b> |
| <b>23</b>     | <b>Net Surplus</b>    | <b>8</b>      | <b>0</b>      | <b>0</b>      |

# B

OUTPUT  
PERFORMANCE

## Custody of Remand Inmates

This output entails the administration of custodial remands in a custodial environment. It incorporates the costs of accommodation, security, transport, food and medical care, but not the cost of rehabilitative programme, employment or specific reintegrative interventions.

### Output Custody of Remand Inmates

|   | Budget | Actual | Variance     |
|---|--------|--------|--------------|
| Quantity  |        |        |              |
| The average number of remand inmates held by the:             |        |        |              |
| • Auckland Central Remand Prison                              | 267    | 251    | -16<br>(-6%) |
| • Public Prisons Service                                      | 690    | 662    | -28<br>(-4%) |
| Quality   |        |        |              |
| The number of breakouts per annum to be no more than:         | 2      | 0      | -2           |
| The number of all other escapes per annum to be no more than: | 1      | 0      | -1           |

### Comment

The number of remand inmates is influenced by rates of arrests and decisions of the judiciary, and is external to the Department's control. The full year target assumed an increase in remand inmates as a consequence of the introduction of the Bail Act 2000. However, it appears that the number of remand inmates has now plateaued.

## OUTPUT CLASS 4: ESCORTS AND CUSTODIAL SUPERVISION SERVICES TO COURTS

This output class provides for safe, secure and humane services and facilities for transportation of inmates to and from court and their safe and humane custody while at court.

### Output Class Statement: Escorts and Custodial Supervision Services to Courts for the year ended 30 June 2002

| 30/06/01     |                       | 30/06/02     | Main         | Supp.        |
|--------------|-----------------------|--------------|--------------|--------------|
| Actual       |                       | Actual       | Estimates    | Estimates    |
| \$000        |                       | \$000        | \$000        | \$000        |
|              | Revenue               |              |              |              |
| 5,989        | Crown                 | 5,861        | 5,580        | 5,861        |
| 0            | Other                 | 0            | 0            | 0            |
| <b>5,989</b> | <b>Revenue</b>        | <b>5,861</b> | <b>5,580</b> | <b>5,861</b> |
| <b>5,945</b> | <b>Total Expenses</b> | <b>5,407</b> | <b>5,580</b> | <b>5,861</b> |
| <b>44</b>    | <b>Net Surplus</b>    | <b>454</b>   | <b>0</b>     | <b>0</b>     |

# B

OUTPUT  
PERFORMANCE

## Escort Services

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

### Output Escort Services

|   | Budget        | Actual | Variance    |
|---|---------------|--------|-------------|
| Quantity  |               |        |             |
| The number of inmates escorted to and from court in   |               |        |             |
| • Northland/Auckland (including Police escorts):  | 21,085-23,305 | 26,892 | 3,587 (15%) |
| • remainder of New Zealand (excluding Police escorts):  | 7,122-7,862   | 7,137  | Nil         |
| Quality   |               |        |             |
| The number of escapes by remand inmates and sentenced inmates during escort to and from court to be no more than: | 1             | 0      | -1          |

### Comment

The number of inmates escorted is in part related to the number of offenders being sentenced by the courts.

## Courtroom Custodial Supervision Services

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

### Output Courtroom Custodial Supervision Services

|  | Budget      | Actual | Variance         |
|--|-------------|--------|------------------|
| Quantity   |             |        |                  |
| The number of inmates supervised in courts in  |             |        |                  |
| • Northland/Auckland:  | 4,755-5,255 | 8,021  | 2,766<br>(53%)   |
| • remainder of New Zealand:  | 8,451-9,327 | 7,356  | -1,095<br>(-13%) |
| Quality  |             |        |                  |
| The number of escapes by remand inmates and sentenced inmates while they are held in custody at court to be: | 0           | 4      | 4                |

### Comment

This measure is influenced by rates of arrests and decisions of the judiciary, and is external to the Department's control. The result also reflects an increase in the number of multi-defendant trials for which supervision has been required in the Northland/Auckland region

All escapes that occurred during the year have been or are in the process of being investigated. Where necessary, procedures are amended or new procedures implemented. Confirmation of appropriate implementation of recommendations arising from individual investigations is provided to the Assurance Board.

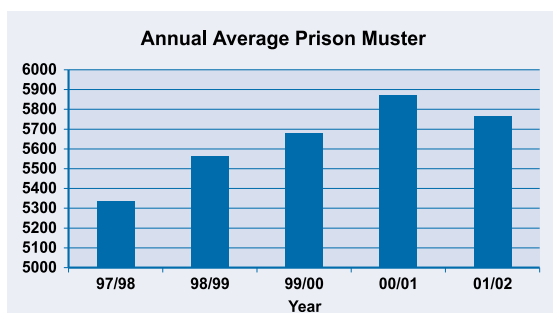
# B

OUTPUT  
PERFORMANCE

## OUTPUT CLASS 5: CUSTODIAL SERVICES

This output class covers the provision of custodial services and the administration of custodial sentences in safe, secure and humane conditions. Inmates are classified as maximum, medium and minimum security, women and corrective trainees. Also included are specialist facilities, drug testing, and drug control and detection initiatives.

The following graph shows the trend in annual average muster levels for the last five years.



### Output Class Statement: Custodial Services for the year ended 30 June 2002

| 30/06/01<br>Actual<br>\$000 |                       | 30/06/02<br>Actual<br>\$000 | Main<br>Estimates<br>\$000 | Supp.<br>Estimates<br>\$000 |
|-----------------------------|-----------------------|-----------------------------|----------------------------|-----------------------------|
|                             | Revenue               |                             |                            |                             |
| 227,604                     | Crown                 | 233,198                     | 248,484                    | 233,198*                    |
| 0                           | Other                 | 0                           | 0                          | 0                           |
| <b>227,604</b>              | <b>Revenue</b>        | <b>233,198</b>              | <b>248,484</b>             | <b>233,198*</b>             |
| <b>225,274</b>              | <b>Total Expenses</b> | <b>229,983</b>              | <b>248,484</b>             | <b>233,198*</b>             |
| <b>2,330</b>                | <b>Net Surplus</b>    | <b>3,215</b>                | <b>0</b>                   | <b>0</b>                    |

\*This figure also includes the following adjustment under section 5 of the Public Finance Act 1989:

| Supplementary<br>Estimates<br>\$000 | Section 5<br>Transfers<br>\$000 | Final<br>Appropriation<br>\$000 |
|-------------------------------------|---------------------------------|---------------------------------|
| 233,773                             | (575)                           | 233,198                         |

A reduction in this output class was possible due to the number of inmates held in prison being lower than expected. A transfer was made in Output Class 7: Rehabilitative Programmes and Reintegrative Services.



## Custodial Services – Maximum Security – Men's Prisons

This output provides for the safe, secure and humane confinement of inmates classified in maximum security. It incorporates the cost of accommodation, security, sentence management (including assessment), food and medical care.

### Output Custodial Services – Maximum Security – Men's Prisons

|   | Budget      | Actual | Variance  |
|---|-------------|--------|-----------|
| Quantity  |             |        |           |
| The average number of maximum security sentenced inmates:   | 155         | 159    | 4<br>(3%) |
| Quality   |             |        |           |
| The percentage of sentenced inmates with inmate management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Manual, and Public Prisons Service Sentence Management Manual to be:   | 100%        | 100%   | Nil       |
| <ul style="list-style-type: none"> <li>On induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action.</li> <li>Assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available.</li> <li>The inmate is placed into the appropriate work/programme.</li> <li>The inmate attends the allocated work/programme.</li> <li>All information is recorded and filed on the inmate's file.</li> <li>Case management plans are reviewed as per the plan.</li> </ul> |             |        |           |
| The number of breakouts per annum:  | 0           | 0      | Nil       |
| The number of non-returns from temporary release per annum:   | 0           | 0      | Nil       |
| The number of all other escapes per annum:  | 0           | 0      | Nil       |
| Outcome   |             |        |           |
| The percentage of inmates re-imprisoned within 12 months of their release from prison:  | Not defined | 54%    | n/a       |
| The percentage of inmates re-imprisoned within 24 months of their release from prison:  | Not defined | 75%    | n/a       |

### Comment

The number of maximum security sentenced inmates is driven in large by the judiciary and reflects the number and severity of offences for which offenders are being convicted and sentenced by the courts.

From the 1996/1997 year to the 2001/2002 year there have been no breakout escapes by maximum security inmates.

# B

OUTPUT  
PERFORMANCE

## Custodial Services – Medium Security – Men's Prisons

This output provides for the safe, secure and humane confinement of inmates classified in medium security. It incorporates the cost of accommodation, security, sentence management (including assessment), food and medical care.

| Output  | Custodial Services – Medium Security – Men's Prisons |        |             |
|---|--|--------|-------------|
|   | Budget   | Actual | Variance    |
| Quantity  |  |        |             |
| The average number of medium security inmates:  | 2,380  | 2,394  | 14<br>(<1%) |
| Quality   |  |        |             |
| The percentage of sentenced inmates with inmate management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Manual, and Public Prisons Service Sentence Management Manual to be:   | 100%   | 97%    | -3%         |
| <ul style="list-style-type: none"> <li>On induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action.</li> <li>Assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available.</li> <li>The inmate is placed into the appropriate work/programme.</li> <li>The inmate attends the allocated work/programme.</li> <li>All information is recorded and filed on the inmate's file.</li> <li>Case management plans are reviewed as per the plan.</li> </ul> |  |        |             |
| The number of breakouts per annum to be no more than:   | 5  | 5      | Nil         |
| The number of non-returns from temporary release per annum to be no more than:  | 2  | 0      | -2          |
| The number of all other escapes per annum to be no more than:   | 16   | 1      | -15         |
| Outcome   |  |        |             |
| The percentage of inmates re-imprisoned within 12 months of their release from prison:  | Not defined  | 46%    | n/a         |
| The percentage of inmates re-imprisoned within 24 months of their release from prison:  | Not defined  | 69%    | n/a         |

### Comment

All escapes that occurred during the year have been or are in the process of being investigated. Where necessary, procedures are amended or new procedures implemented. Confirmation of appropriate implementation of recommendations arising from individual investigations is provided to the Assurance Board.

**B**  
OUTPUT  
PERFORMANCE

### Custodial Services – Minimum Security – Men's Prisons

This output provides for the safe, secure and humane confinement of inmates classified in minimum security. It incorporates the cost of accommodation, security, sentence management (including assessment), food and medical care.

#### Output Custodial Services – Minimum Security – Men's Prisons

|  | Budget      | Actual | Variance       |
|--|-------------|--------|----------------|
| <b>Quantity</b>  |             |        |                |
| The average number of minimum security inmates:  | 2,160       | 1,882  | -278<br>(-13%) |
| <b>Quality</b>   |             |        |                |
| The percentage of sentenced inmates with inmate management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Manual, and Public Prisons Service Sentence Management Manual to be:  | 100%        | 100%   | Nil            |
| • On induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action. |             |        |                |
| • Assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available.   |             |        |                |
| • The inmate is placed into the appropriate work/programme.  |             |        |                |
| • The inmate attends the allocated work/programme.   |             |        |                |
| • All information is recorded and filed on the inmate's file.  |             |        |                |
| • Case management plans are reviewed as per the plan.  |             |        |                |
| The number of breakouts per annum to be no more than:  | 2           | 3      | 1              |
| The number of non-returns from temporary release per annum to be no more than:   | 16          | 1      | -15            |
| The number of all other escapes per annum to be no more than:  | 16          | 11     | -5             |
| <b>Outcome</b>   |             |        |                |
| The percentage of inmates re-imprisoned within 12 months of their release from prison:   | Not defined | 18%    | n/a            |
| The percentage of inmates re-imprisoned within 24 months of their release from prison:   | Not defined | 29%    | n/a            |

**B**

OUTPUT  
PERFORMANCE

### Comment

The below average number of minimum security inmates reflects the sentencing decisions of the judiciary and compliance with internal procedures on security classification. This has resulted in a greater number of offenders having a higher security classification and is reflected in a reduction in minimum security inmates.

All escapes that occurred during the year have been or are in the process of being investigated. Where necessary, procedures are amended or new procedures implemented. Confirmation of appropriate implementation of recommendations arising from individual investigations is provided to the Assurance Board.



## Custodial Services – Women Inmates

This output provides for the safe, secure and humane confinement of inmates classified in women's security. It incorporates the cost of accommodation, security, sentence management (including assessment), food and medical care.

| Output  | Women Inmates |        |               |
|---|---------------|--------|---------------|
|   | Budget        | Actual | Variance      |
| <b>Quantity</b>   |               |        |               |
| The average number of maximum security inmates:   | 6             | 2      | -4<br>(-66%)  |
| The average number of medium security inmates:  | 140           | 88     | -52<br>(-37%) |
| The average number of minimum security inmates:   | 155           | 132    | -23<br>(-15%) |
| The average number of corrective trainees:  | 0             | 0      | Nil           |
| <b>Quality</b>  |               |        |               |
| The percentage of sentenced inmates with inmate management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Manual, and Public Prisons Service Sentence Management Manual to be:   |               |        |               |
|   | 100%          | 100%   | Nil           |
| <ul style="list-style-type: none"> <li>On induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action.</li> <li>Assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available.</li> <li>The inmate is placed into the appropriate work/programme.</li> <li>The inmate attends the allocated work/programme.</li> <li>All information is recorded and filed on the inmate's file.</li> <li>Case management plans are reviewed as per the plan.</li> </ul> |               |        |               |
| The number of breakdowns per annum to be no more than:  | 2             | 1      | -1            |
| The number of non-returns from temporary release per annum to be no more than:  | 2             | 0      | -2            |
| The number of all other escapes per annum to be no more than:   | 2             | 0      | -2            |
| <b>Outcome</b>  |               |        |               |
| The percentage of inmates re-imprisoned within 12 months of their release from prison:  | Not defined   | 14%    | n/a           |
| The percentage of inmates re-imprisoned within 24 months of their release from prison:  | Not defined   | 23%    | n/a           |

# B

OUTPUT  
PERFORMANCE

### Comment

The conviction and sentencing of women inmates is driven in large part by the judiciary and reflects the number and severity of offences for which offenders are being convicted and sentenced in the courts

Increasing use of home detention as an alternative sentence for women has also impacted on the number of women inmates in prison.

All escapes that occurred during the year have been or are in the process of being investigated. Where necessary, procedures are amended or new procedures implemented. Confirmation of appropriate implementation of recommendations arising from individual investigations is provided to the Assurance Board.

## Custodial Services – Youth/Corrective Training

This output provides for the safe, secure and humane confinement of those inmates sentenced to corrective training as well as the provision of specialist facilities for youths assessed as being vulnerable.

### Output Youth/Corrective Training

|   | Budget      | Actual | Variance      |
|---|-------------|--------|---------------|
| <b>Quantity</b>   |             |        |               |
| The average number of male sentenced inmates held in Youth Units:   | 129         | 110    | -19<br>(-15%) |
| The average number of male corrective trainees:   | 35          | 9      | -26<br>(-74%) |
| <b>Quality</b>  |             |        |               |
| The percentage of sentenced inmates with inmate management plans prepared and managed to the following standards in the relevant service description, Public Prisons Service Manual, and Public Prisons Service Sentence Management Manual to be:   | 100%        | 100%   | Nil           |
| <ul style="list-style-type: none"> <li>On induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action.</li> <li>Assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available.</li> <li>The inmate is placed into the appropriate work/programme.</li> <li>The inmate attends the allocated work/programme.</li> <li>All information is recorded and filed on the inmate's file.</li> <li>Case management plans are reviewed as per the plan.</li> </ul> |             |        |               |
| The number of breakouts per annum to be no more than  |             |        |               |
| <ul style="list-style-type: none"> <li>corrective training:</li> <li>Youth Units:</li> </ul>  | 0<br>0      | 0<br>0 | Nil<br>Nil    |
| The number of all other escapes per annum to be no more than  |             |        |               |
| <ul style="list-style-type: none"> <li>corrective training:</li> <li>Youth Units:</li> </ul>  | 5<br>0      | 0<br>0 | -5<br>Nil     |
| <b>Outcome</b>  |             |        |               |
| The percentage of inmates re-imprisoned within 12 months of their release from prison:  | Not defined | 37%    | n/a           |
| The percentage of inmates re-imprisoned within 24 months of their release from prison:  | Not defined | 54%    | n/a           |

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### Comment

The demand for Youth Units has been steady since the commissioning of the additional beds at Hawke's Bay Regional Prison, and appears to have plateaued under current policies. However demand is expected to increase with the recent decision to give automatic access to all 17-year-olds.

Following the introduction of the Sentencing Act 2002, the sentence of corrective training is no longer available.



## Custodial Services – Drug Reduction

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

| Output  | Custodial Services – Drug Reduction |        |               |
|---|-------------------------------------|--------|---------------|
|   | Budget                              | Actual | Variance      |
| <b>Quantity</b>   |                                     |        |               |
| The number of general random programme drug screening tests carried out:  | 2,470-2,700                         | 2,462  | -8<br>(<1%)   |
| The number of random drug screening tests carried out on inmates returning from temporary release:                                    | 365-408                             | 450    | 42<br>(10%)   |
| The number of random drug screening tests carried out on identified drug users:   | 1,584-1,750                         | 1,461  | -123<br>(-8%) |
| The number of other drug screening tests carried out <sup>9</sup> :   | 3,991-4,442                         | 3,835  | -156<br>(-4%) |
| <b>Quality</b>  |                                     |        |               |
| The annual average percentage of general random programme drug screening tests producing a positive result to be no more than:        | 19%                                 | 22%    | 3%            |
| The annual average percentage of random drug screening tests of inmates returning from temporary release producing a positive result: | n/a <sup>10</sup>                   | 16%    | n/a           |
| The annual average percentage of random drug screening tests of identified drug users producing a positive result:                    | n/a <sup>10</sup>                   | 41%    | n/a           |

<sup>9</sup> Other drug screening tests are defined as those undertaken on either "reasonable grounds" or on a voluntary basis.

<sup>10</sup> This measure does not lend itself to setting of performance standards to be achieved.

### Comment

Approximately 20 percent of inmates on temporary release were randomly selected to undertake a random drug test on their return to prison. In 2001/2002 there was an increase in the number of inmates granted temporary release, therefore more random drug screening tests than forecast were required for those inmates on return.

The number of random drug screening tests undertaken for identified drug users (IDUs) was lower than forecast for the 2001/02 year. This reflects the lower number of inmates with IDU status, from which the random tests are generated, compared to the previous year. However the Department is aware of a number of random IDU tests cancelled without reason and is taking steps to rectify the situation.

The annual average percentage of positive general random programme drug screening tests was higher than expected, however the introduction of a new searching regime is expected to have a positive effect.

## OUTPUT CLASS 6: INMATE EMPLOYMENT

Inmate employment and vocational training contributes to reducing re-offending by providing inmates with the opportunity to gain work experience and improve their work habits and work skills, thereby improving their chances of obtaining sustainable post-release employment.

**Output Class Statement: Inmate Employment  
for the year ended 30 June 2002**

| 30/06/01      |                       | 30/06/02      | Main          | Supp.         |
|---------------|-----------------------|---------------|---------------|---------------|
| Actual        |                       | Actual        | Estimates     | Estimates     |
| \$000         |                       | \$000         | \$000         | \$000         |
|               | Revenue               |               |               |               |
| 10,082        | Crown                 | 10,940        | 9,639         | 10,940        |
| 23,388        | Other                 | 27,738        | 20,798        | 30,433        |
| <b>33,470</b> | <b>Revenue</b>        | <b>38,678</b> | <b>30,437</b> | <b>41,373</b> |
| <b>33,516</b> | <b>Total Expenses</b> | <b>38,339</b> | <b>30,437</b> | <b>41,373</b> |
| <b>(46)</b>   | <b>Net Surplus</b>    | <b>339</b>    | <b>0</b>      | <b>0</b>      |

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## Inmate Employment – Land-based Activities

The output includes the provision of inmate employment and training opportunities in farming, forestry, horticulture and other activities.

| Output Inmate Employment – Land-based Activities   |             |                       |                    |
|--|-------------|-----------------------|--------------------|
|  | Budget      | Actual                | Variance           |
| Quantity   |             |                       |                    |
| The number of hours worked by inmates:   | 1,463,250   | 1,019,439             | -443,811<br>(-30%) |
| Are farmed on a commercial basis   | ha          | ha                    |                    |
| • Dairy:   | 1,063       | 1,063                 | Nil                |
| • Sheep, beef and deer:  | 3,503       | 3,503                 | Nil                |
| Area utilised for commercial forestry:   | 4,510       | 4,510                 | Nil                |
| Quality  |             |                       |                    |
| The percentage of inmates undertaking inmate employment who receive an externally recognised qualification <sup>11</sup> : | 40%         | 62%                   | 22%                |
| Economic Farm Surplus (EFS) per hectare (ha)   | EFS/ha      | EFS/ha                |                    |
| • Dairy:   | \$700-\$800 | \$1,972 <sup>12</sup> | \$1172<br>(147%)   |
| • Sheep, beef and deer:  | \$130-\$200 | \$437                 | \$237<br>(119%)    |
| Economic forest surplus per hectare:   | \$750-\$800 | \$828                 | \$28<br>(4%)       |

### Comment

A number of factors impacted on the overall number of hours inmates spent undertaking land-based activities. These included:

- an early end to harvesting of forests at Tongariro
- impact of a lower-than-projected number of minimum security inmates available to undertake land-based activities.

A favourable exchange rate and commodity prices, coupled with good performance, provided strong returns from the farms and forest.

<sup>11</sup> The percentage of inmates who receive an externally recognised qualification is calculated as the number of unit standards passed against the average number of inmates employed throughout the year.

<sup>12</sup> Excludes windfall gain from Dairy shares revalued.

### Inmate Employment – Manufacturing Activities

The output entails inmate employment predominantly undertaken in secondary sector industries, although some service operations are undertaken. These may be activities owned and operated by the Department or be labour-only arrangements with private sector parties.

#### Output Inmate Employment – Manufacturing Activities

|   | Budget    | Actual    | Variance       |
|---|-----------|-----------|----------------|
| Quantity  |           |           |                |
| The number of hours worked by inmates:  | 1,038,050 | 1,065,548 | 27,498<br>(3%) |
| Quality   |           |           |                |
| The percentage of inmates undertaking inmate employment who receive an externally recognised qualification <sup>13,14</sup> : | 40%       | 82%       | 42%            |

#### Comment

The high result in the percentage of inmates who received an external qualification is distorted by the fact that there are a small number of inmates achieving a large number of unit standards. The implementation of the new Training Access Database should give a better picture of the spread of the qualifications.

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<sup>13</sup> All inmates undertaking inmate employment will receive a work certificate or a record of achievement from the Department.

<sup>14</sup> The percentage of inmates who receive an externally recognised qualification is calculated as the number of unit standards passed against the average number of inmates employed throughout the year.

## Inmate Employment – Internal Self-sufficiency Activities

This output is predominantly focused on internal self-sufficiency including:

- kitchens
- laundry and cleaning
- asset maintenance such as building maintenance, grounds maintenance and vehicle servicing.

### Output Inmate Employment – Internal Service Self-sufficiency Activities

|   | Budget    | Actual            | Variance         |
|---|-----------|-------------------|------------------|
| Quantity  |           |                   |                  |
| The number of hours worked by inmates:  | 3,000,000 | 2,952,082         | -47,918<br>(-2%) |
| Quality   |           |                   |                  |
| The percentage of inmates undertaking inmate employment who receive an externally recognised qualification <sup>15,16</sup> : | 40%       | 36% <sup>17</sup> | -4%              |

<sup>15</sup> All inmates undertaking inmate employment will receive a work certificate or a record of achievement from the Department.

<sup>16</sup> The percentage of inmates who receive an externally recognised qualification is calculated as the number of unit standards passed against the average number of inmates employed throughout the year.

<sup>17</sup> This result relates to those inmates undertaking inmate employment activities through Corrections Inmate Employment.

## Inmate Employment – Release-to-Work and Community Work

This output entails release-to-work opportunities, which are provided to low-risk inmates who meet relevant criteria. They are employed by private sector operators in accordance with the Department's release-to-work policy. This output also includes supervised work parties performing services of value to the local community.

### Output Inmate Employment – Release-to-Work and Community Work

|   | Budget  | Actual            | Variance           |
|---|---------|-------------------|--------------------|
| Quantity  |         |                   |                    |
| The number of hours worked by inmates:  | 225,100 | 92,682            | -132,418<br>(-59%) |
| Quality   |         |                   |                    |
| The percentage of inmates undertaking inmate employment who receive an externally recognised qualification <sup>18,19</sup> : | 40%     | 54% <sup>20</sup> | 14%                |

### Comment

It was identified earlier in the year that release-to-work and community work hours would not be achieved due to various reasons.

However the Department is continuing to explore options to improve delivery of this output, including raising the profile of release-to-work and community work, and ensuring that staff understand the release-to-work process.

<sup>18</sup> All inmates undertaking inmate employment will receive a work certificate or a record of achievement from the Department.

<sup>19</sup> The percentage of inmates who receive an externally recognised qualification is calculated as the number of unit standards passed against the average number of inmates employed throughout the year.

<sup>20</sup> This result relates to those inmates undertaking inmate employment activities through Corrections Inmate Employment.

## Inmate Employment – Vocational Training Services

This output provides training activities to inmates that relates directly to the acquisition of employment-related skills, and includes courses to assist in getting driver licences and computer skills.

### Output Inmate Employment – Vocational Training Services

|  | Budget | Actual | Variance   |
|--|--------|--------|------------|
| <b>Quantity</b>  |        |        |            |
| The number of inmates who commence training towards the achievement of an externally recognised qualification: | 1,125  | 1,152  | 27<br>(2%) |
| <b>Quality</b>   |        |        |            |
| The percentage of inmates who receive an externally recognised qualification <sup>21</sup> :                   | 40%    | 88%    | 48%        |

#### Comment

Inmates enrolled on Driver Licensing and Computer unit standards under the new Vocational Training policy have had a higher-than-forecast rate of completing these courses. This reflects in part the high motivation of inmates to successfully complete vocational training that will assist their reintegration and prospects of employment on release.

<sup>21</sup> All inmates undertaking inmate employment will receive a work certificate or a record of achievement from the Department.



## OUTPUT CLASS 7: REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

This output class provides rehabilitative programmes to address the causes of criminal offending, and reintegrative services to prepare for release into the community, including support for families/whānau.

Included in this output class is the provision of specialist psychological services, including professional training and supervision, to monitor and support programme delivery.

Integrated Offender Management has introduced a new suite of nationally defined rehabilitation programmes. Assessment tools determine programme eligibility according to an offender's criminogenic needs, responsivity and risk of re-offending. Some programmes are designed to increase an offender's motivation to undertake a specific programme that seeks to address an identified criminogenic need.

Emphasis is placed on the targeted provision of reintegrative services to reinforce and sustain behavioural changes by building up basic skills (for example, budgeting and relationship management) which support reintegration in the community.

### Output Class Statement: Rehabilitative Programmes and Reintegrative Services for the year ended 30 June 2002

| 30/06/01      |                       | 30/06/02      | Main          | Supp.          |
|---------------|-----------------------|---------------|---------------|----------------|
| Actual        |                       | Actual        | Estimates     | Estimates      |
| \$000         |                       | \$000         | \$000         | \$000          |
|               | Revenue               |               |               |                |
| 35,540        | Crown                 | 38,997        | 37,999        | 38,997*        |
| 0             | Other                 | 0             | 0             | 0              |
| <b>35,540</b> | <b>Revenue</b>        | <b>38,997</b> | <b>37,999</b> | <b>38,997*</b> |
| <b>35,056</b> | <b>Total Expenses</b> | <b>38,841</b> | <b>37,999</b> | <b>38,997*</b> |
| <b>484</b>    | <b>Net Surplus</b>    | <b>156</b>    | <b>0</b>      | <b>0</b>       |

\*This figure also includes the following adjustment under section 5 of the Public Finance Act 1989:

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| Supplementary<br>Estimates<br>\$000 | Section 5<br>Transfers<br>\$000 | Final<br>Appropriation<br>\$000 |
|-------------------------------------|---------------------------------|---------------------------------|
| 38,422                              | 575                             | 38,997                          |

Additional costs were incurred in relation to the development and implementation of IOM. This is a new process designed to improve the chances of rehabilitation of offenders. These costs were funded by reduced inmate numbers during 2001/2002.

## Rehabilitative Programmes – Straight Thinking

This output entails the delivery of Straight Thinking programmes that aim to assist offenders to address one of the main causes of their offending, that is the lack of critical reasoning required for effective social integration, or to increase an offender's motivation to undertake a specific programme to address an identified criminogenic need.

### Output Rehabilitative Programmes – Straight Thinking

|   | Budget | Actual | Variance          |
|---|--------|--------|-------------------|
| Quantity  |        |        |                   |
| The number of offenders who start a Straight Thinking programme   |        |        |                   |
| • Community Probation Service:  | 1,184  | 598    | -586<br>(-49%)    |
| • Public Prisons Service:   | 1,306  | 1,101  | -205<br>(-16%)    |
| The number of hours offenders spend attending a Straight Thinking programme                                       |        |        |                   |
| • Community Probation Service:  | 70,448 | 27,492 | -42,956<br>(-61%) |
| • Public Prisons Service:   | 82,000 | 62,215 | -19,785<br>(-24%) |
| Quality   |        |        |                   |
| The percentage of offenders who start and complete a Straight Thinking programme to be no less than <sup>22</sup> |        |        |                   |
| • Community Probation Service:  | 65%    | 59%    | -6%               |
| • Public Prisons Service:   | 80%    | 76%    | -4%               |

### Comment

Reductions in the availability of trained Straight Thinking facilitators combined with ongoing requirements, such as staff training associated with the implementation of IOM, the Sentencing Act 2002 and the Parole Act 2002, have impacted on the number of programmes delivered in the 2001/2002 year.

The availability of offenders assessed as suitable for attendance at a Straight Thinking programme has also impacted on the overall result.

The Department currently has work underway, which will be introduced during the 2002/2003 year to streamline the processes associated with the administration and delivery of programmes across the Department.

<sup>22</sup> Programmes may run across financial years, so the numbers of inmates completing the programme during the financial year will not directly correlate to the number who started during the financial year.

## Rehabilitative Programmes – National Certificate in Employment Skills

This output seeks to raise the basic literacy and numeracy levels of inmates to ensure they are better equipped to cope in the community following their release from prison.

### Output Rehabilitative Programmes – National Certificate in Employment Skills

|   | Budget | Actual | Variance    |
|---|--------|--------|-------------|
| <b>Quantity</b>   |        |        |             |
| The number of inmates who start a module under the National Certificate in Employment Skills:                                     | 2,520  | 2,718  | 198<br>(8%) |
| <b>Quality</b>  |        |        |             |
| The percentage of inmates who start and complete a module under the National Certificate in Employment Skills to be no less than: | 80%    | 87%    | 7%          |

#### Comment

The increased number of inmates who start National Certificate in Employment Skills (NCES) modules is due in part to the higher-than-expected number of inmates being assessed as suitable for the programme, and the efforts of the Department and provider to complete the expansion of NCES in prisons nationwide.

The percentage of completions is largely explained by the interest of inmates enrolled in NCES to obtain recognised qualifications.

## Rehabilitative Programmes – Tikanga Māori Programmes

This output entails offenders' attendance at Tikanga Māori programmes. These programmes use Māori philosophy, values, knowledge and practices to emphasise the relationship of the individual with their social-cultural environment and to foster the regeneration of Māori identity, self-esteem and values so as to encourage offenders to address their criminogenic needs. Completion of a Tikanga Māori programme is a prerequisite for entry to a Māori Focus Unit.

### Output Rehabilitative Programmes – Tikanga Māori Programmes

|   | Budget | Actual | Variance      |
|---|--------|--------|---------------|
| <b>Quantity</b>   |        |        |               |
| The number of offenders who start a Tikanga Māori programme through   |        |        |               |
| • Community Probation Service:  | 368    | 309    | -59<br>(-16%) |
| • Public Prisons Service:   | 943    | 1,143  | 200<br>(21%)  |
| <b>Quality</b>  |        |        |               |
| The percentage of offenders who start and complete a Tikanga Māori programme to be no less than <sup>23</sup> |        |        |               |
| • Community Probation Service:  | 65%    | 66%    | 1%            |
| • Public Prisons Service:   | 75%    | 93%    | 18%           |

### Comment

The Community Probation Service has continued to implement Te Wairua O Nga Tangata Māori. However, several factors including the availability of offenders assessed as suitable for attendance at a Tikanga programme, and the work associated with the implementation of Integrated Offender Management, the Sentencing Act 2002 and the Parole Act 2002, have impacted on the number of offenders commencing a Tikanga Māori programme this year.

The large number of programme completions in Public Prisons reflects the motivation of participants undertaking the programmes, as well as the programme's ability to retain the inmates' interest for the duration.

<sup>23</sup> Programmes may run across financial years, so the numbers of inmates completing the programme during the financial year will not directly correlate to the number who started during the financial year.

## Rehabilitative Programmes – Sex Offender Treatment Programmes

This output entails the delivery of sex offender treatment programmes to inmates convicted of sex offending against children. The programmes include group-based treatment programmes and those delivered within special treatment units at the Kia Marama Sex Offender Treatment Unit and the Te Piriti Sex Offender Unit.

| Output  | Rehabilitative Programmes – Sex Offender Treatment Programmes |        |               |
|---|---|--------|---------------|
|   | Budget  | Actual | Variance      |
| <b>Quantity</b>   |   |        |               |
| The number of hours inmates spend attending a programme at  |   |        |               |
| • Kia Marama:   | 12,500  | 12,384 | -116<br>(-1%) |
| • Te Piriti:  | 12,500  | 12,502 | 2<br>(<1%)    |
| The number of inmates who start a programme at  |   |        |               |
| • Kia Marama:   | 40  | 40     | Nil           |
| • Te Piriti:  | 40  | 39     | -1<br>(-3%)   |
| The number of programmes completed per year at  |   |        |               |
| • Kia Marama:   | 5   | 5      | Nil           |
| • Te Piriti:  | 4   | 4      | Nil           |
| <b>Quality</b>  |   |        |               |
| The number of inmates who start and complete the programme at <sup>24</sup>   |   |        |               |
| • Kia Marama to be no less than:  | 38  | 39     | 1<br>(3%)     |
| • Te Piriti to be no less than:   | 38  | 34     | -4<br>(-11%)  |
| The percentage of programmes completed at Kia Marama and Te Piriti where all the components described in the following service descriptions were delivered: |   |        |               |
| • norm building   | 100%  | 100%   | Nil           |
| • construction of offence chain incorporating challenging cognitive distortion  |   |        |               |
| • sexual arousal reconditioning   |   |        |               |
| • victim impact and empathy   |   |        |               |
| • social skills, relationship skills and sex education  |   |        |               |
| • mood, anger and stress management and problem solving   |   |        |               |
| • relapse prevention  |   |        |               |
| • release planning  |   |        |               |

<sup>24</sup> Programmes may run across financial years, so the numbers of inmates completing the programme during the financial year will not directly correlate to the number who started during the financial year.

#### Comment

Some inappropriate referrals impacted on the number of inmates successfully completing the sex offender treatment programme at Te Piriti.

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## Rehabilitative Programmes – Violence Prevention Programmes

This output entails the delivery of violence prevention programmes; including the delivery of group-based treatment to violent offenders in the male Violence Prevention Special Treatment Unit at Rimutaka Prison and those directed to complete a violence prevention programme at Montgomery House.

| Output  | Rehabilitative Programmes – Violence Prevention Programmes |        |                  |
|---|--|--------|------------------|
|   | Budget   | Actual | Variance         |
| <b>Quantity</b>   |  |        |                  |
| The number of hours inmates spend attending general violence prevention programmes:   | 16,550   | 19,572 | 3,022<br>(18%)   |
| The number of inmates who start a violence prevention programme at Rimutaka Prison:   | 30   | 29     | -1<br>(-3%)      |
| The number of hours inmates spend attending a violence prevention programme at Rimutaka Prison:                             | 7,700  | 10,066 | 2,366<br>(31%)   |
| The number of hours offenders spend attending a general violence prevention programme:                                      | 5,530  | 1,298  | -4,232<br>(-77%) |
| The number of offenders who start a violence prevention programme at Montgomery House:                                      | 32   | 36     | 4<br>(13%)       |
| The number of psychologist hours provided to Montgomery House:  | 740  | 749    | 9<br>(1%)        |
| <b>Quality</b>  |  |        |                  |
| The percentage of offenders who start and complete a general violence prevention programme to be no less than <sup>25</sup> |  |        |                  |
| • Community Probation Service:  | 65%  | 76%    | 11%              |
| • Public Prisons Service:   | 75%  | 86%    | 11%              |
| The number of violence prevention programmes completed at Rimutaka prison per year to be no less than:                      | 3  | 3      | Nil              |

<sup>25</sup> Programmes may run across financial years, so the numbers of offenders completing the programme during the financial year will not directly correlate to the number who started during the financial year.



|  | Budget | Actual | Variance |
|--|--------|--------|----------|
| <b>Quality</b>   |        |        |          |
| The number of inmates completing a violence prevention programme at Rimutaka prison to be no less than:  | 21     | 21     | Nil      |
| The percentage of violence prevention programmes completed at Rimutaka Prison where all the following components described in the service descriptions were delivered to be:   | 100%   | 100%   | Nil      |
| <ul style="list-style-type: none"> <li>• offence cycle motivation, goal setting</li> <li>• challenging cognitive distortions</li> <li>• victim empathy</li> <li>• emotional regulation skills/anger and stress management</li> <li>• communication/relationship skills/problem solving</li> <li>• substance abuse</li> <li>• moral education</li> <li>• relapse prevention/release planning</li> <li>• cultural awareness</li> </ul> |        |        |          |
| The percentage of assessments for Montgomery House programmes for which all of the following information elements were assessed to be:   | 100%   | 100%   | Nil      |
| <ul style="list-style-type: none"> <li>• informed consent</li> <li>• absence of psychiatric disorder</li> <li>• sufficiency of intellectual functioning</li> <li>• potential to accept responsibility</li> <li>• exhibits a potential for improvement</li> </ul>   |        |        |          |
| The percentage of offenders who start and complete their violence prevention programme at Montgomery House to be no less than <sup>26</sup> :  | 75%    | 80%    | 5%       |
| The percentage of post-programme assessments for Montgomery House programmes completed by a psychologist to be:  | 100%   | 100%   | Nil      |
| The percentage of clinical reports for Montgomery House programmes that adhere to the following standards to be:   | 100%   | 100%   | Nil      |
| <ul style="list-style-type: none"> <li>• concise, logical and grammatically correct</li> <li>• comments and recommendations relating to each service being delivered under the contract</li> <li>• sources of information are well documented and verified</li> <li>• clear statements of recommendations</li> </ul>   |        |        |          |
| The percentage of clinical monitoring reports for Montgomery House programmes provided within agreed timeframes to be:   | 100%   | 100%   | Nil      |

<sup>26</sup> Programmes may run across financial years, so the numbers of offenders completing the programme during the financial year will not directly correlate to the number who started during the financial year.

### Comment

The level of demand for violence prevention programmes within prisons has been difficult to precisely forecast and has proven to be higher than forecast volumes. Note there is a mixture of IOM and non-IOM programmes included.

The increased number of hours inmates spent attending a violence prevention programme at Rimutaka Prison is due to an increased number of individual and group sessions provided to inmates in order to meet required programme completion requirements.

A number of factors have impacted on the Community Probation Services' ability to achieve the target number of hours for general violence prevention programmes. These include the availability of offenders assessed as suitable for attendance at a violence prevention programme, and the work associated with the implementation of Integrated Offender Management, the Sentencing Act 2002, and the Parole Act 2002.

A higher number of offenders completed the violence prevention programme than estimated, due to the focus of facilitators in encouraging and supporting offenders to complete these programmes.

## Rehabilitative Programmes – Alcohol and Drug Treatment

This output entails the delivery, in prisons and in the community, of substance abuse programmes to highly recidivist offenders with identified alcohol and drug related needs. The output includes the delivery of alcohol and drug treatment programmes within special treatment units.

### Output Rehabilitative Programmes – Alcohol and Drug Treatment

|  | Budget | Actual | Variance          |
|--|--------|--------|-------------------|
| <b>Quantity</b>  |        |        |                   |
| The number of hours inmates spend attending an alcohol and drug programme delivered in Special Treatment Units:  | 81,600 | 70,620 | -10,980<br>(-13%) |
| The number of hours offenders spend attending an alcohol and drug programme  |        |        |                   |
| • Community Probation Service:   | 14,450 | 8,811  | -5,639<br>(-39%)  |
| • Public Prisons Service:  | 33,900 | 29,286 | -4,614<br>(-14%)  |
| The number of inmates who start an alcohol and drug programme delivered in Special Treatment Units:  | 200    | 177    | -23<br>(-12%)     |
| <b>Quality</b>   |        |        |                   |
| The percentage of inmates who start and complete an alcohol and drug programme delivered in Special Treatment Units to be no less than <sup>27</sup> : | 75%    | 65%    | -10%              |
| The percentage of offenders who start and complete an alcohol and drug programme to be no less than  |        |        |                   |
| • Community Probation Service:   | 65%    | 71%    | 6%                |
| • Public Prisons Service:  | 75%    | 80%    | 5%                |

<sup>27</sup> Programmes may run across financial years, so the numbers of inmates completing the programme during the financial year will not directly correlate to the number who started during the financial year.

### Comment

The number of inmates who commence a substance abuse programme in a Special Treatment Unit was a new measure for 2001/2002. Analysis of the actual against forecast volumes shows the original forecast was too high and assumed the units would be fully occupied continuously.

The Community Probation Service has continued to increase its capacity to deliver alcohol and drug programmes. However, several factors, including the work associated with the implementation of Integrated Offender Management, the Sentencing Act 2002 and the Parole Act 2002, have impacted on the number of offenders commencing an Alcohol and Drug programme this year.

The level of demand for alcohol and drug programmes within prisons has been difficult to precisely forecast and has proven to be lower than forecast volumes.

## Rehabilitative Programmes – Making Our Drivers Safe (MODS)

This output entails the delivery of a programme within the community designed to reduce re-offending by addressing the criminogenic needs of high-risk, recidivist traffic offenders.

### Output Rehabilitative Programmes – Making Our Drivers Safe

|  | Budget | Actual | Variance          |
|--|--------|--------|-------------------|
| <b>Quantity</b>  |        |        |                   |
| The number of hours offenders spend attending a MODS programme:  | 28,440 | 6,141  | -22,299<br>(-78%) |
| <b>Quality</b>   |        |        |                   |
| The percentage of offenders who start and complete a MODS programme to be no less than <sup>28</sup> : | 65%    | 77%    | 12%               |

### Comment

The Community Probation Service has continued to increase its capacity to deliver the MODS programme. However, several factors, including the work associated with the implementation of Integrated Offender Management, the Sentencing Act 2002 and the Parole Act 2002, have impacted on the number of offenders commencing MODS programmes this year.

A higher percentage of offenders than forecast completed the programme, due to the focus of facilitators in encouraging and supporting offenders to complete these programmes.

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<sup>28</sup> Programmes may run across financial years, so the numbers of offenders completing the programme during the financial year will not directly correlate to the number who started during the financial year.

## Rehabilitative Programmes – EQUIP Programme

This output entails the delivery of EQUIP programmes to remand and sentenced youth in specialist male Youth Units. The programme is designed to develop cognitive behavioural reasoning for effective social integration.

| Output   | Rehabilitative Programmes – EQUIP Programme |        |                   |
|--|---|--------|-------------------|
|  | Budget                                      | Actual | Variance          |
| <b>Quantity</b>  |   |        |                   |
| The average number of inmates and remands attending an EQUIP programme:  | 129   | 80     | -49<br>(-38%)     |
| The number of hours inmates and remands spend attending EQUIP programmes:  | 45,360                                      | 27,177 | -18,183<br>(-40%) |
| <b>Quality</b>   |   |        |                   |
| The percentage of inmates and remands who start and complete an EQUIP programme to be no less than <sup>29</sup> : | 70%   | 70%    | Nil               |

### Comment

A lower-than-anticipated number of both sentenced and remand inmates attending an EQUIP programme, due in part to the delayed completion of 11 additional beds at the Hawkes Bay Regional Prison Youth Unit, which reduced the average number of youth inmates. While the youth beds are now in place, total occupancy nationally is lower than originally forecast. Other factors include a phased introduction of the EQUIP programme at the new units in both Christchurch and Rimutaka Prisons, and the fact that not all youth inmates are assessed as suitable for attendance in the EQUIP programmes.

**B**  
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PERFORMANCE

<sup>29</sup> Programmes may run across financial years, so the numbers of inmates completing the programme during the financial year will not directly correlate to the number who started during the financial year.

## Rehabilitative Programmes – Other Rehabilitative Programmes

This output entails the provision and administration of other criminogenic and special programmes which are designed to address the underlying causes of criminal re-offending. Included in this output are: generic Mixed Programmes to Reduce Re-offending (MPRO), Māori Therapeutic Programmes (delivered in Māori Focus Units), Structured Individual Programmes (SIPs), Community Programmes and other programme activities including general education, literacy and numeracy improvement activities, and those delivered in Youth Units.

| Output  | Rehabilitative Programmes – Other Rehabilitative Programmes |        |                  |
|---|---|--------|------------------|
|   | Budget  | Actual | Variance         |
| Quantity  |   |        |                  |
| The number of hours offenders spend attending other rehabilitative programmes                         |   |        |                  |
| • Community Probation Service:  | 10,194-11,266   | 2,093  | -8,101<br>(-79%) |
| • Public Prisons Service:   | 45,374  | 43,103 | -2,271<br>(-5%)  |
| The number of hours inmates spend attending Māori Therapeutic programmes:                             | 19,200  | 14,839 | -4,361<br>(-23%) |
| Quality   |   |        |                  |
| The percentage of offenders who start and complete other rehabilitative programmes to be no less than |   |        |                  |
| • Community Probation Service:  | 65%   | 62%    | -3%              |
| • Public Prisons Service:   | 75%   | 37%    | -38%             |
| The percentage of inmates who start and complete Māori Therapeutic programmes to be no less than:     | 75%   | 89%    | 14%              |

# B

OUTPUT  
PERFORMANCE

### Comment

A number of factors have impacted on the delivery of other criminogenic programmes in the Community Probation Service during the year. These have included the ongoing training of facilitators required to run the programmes and the work associated with the implementation of Integrated Offender Management, the Sentencing Act 2002 and the Parole Act 2002. In addition, a number of programmes which commenced in the final quarter of the 2001/2002 year are not scheduled to complete until the first quarter of the 2002/2003 year and have therefore not been included in this year's totals.

In addition to the Department's suite of criminogenic programmes, the Community Probation Service also purchased a number of places on general rehabilitative programmes operated by providers in the community. In the 2001/2002 financial year this resulted in over 130,000 hours of programmes being provided to nearly 4,000 offenders. The average completion rate of programmes provided in the community was 68 percent.

A delay in the completion of the Department's evaluation of the pilot Māori Therapeutic Programmes undertaken last year resulted in late commencement of scheduled programmes in prisons. Additionally, confirmation of the relocation of the New Plymouth Māori Focus Unit to Wanganui was delayed due to the extension of consultation with local iwi representatives, reducing the number of programmes run at the new unit.

The low completion of other rehabilitative programmes in Public Prisons results from the high proportion of enrolments in general education activities such as remedial literacy and numeracy, which are not run as short time-bound courses.



## Reintegrative Services

This output entails the provision and administration of reintegrative services. This includes the delivery of programmes to meet the reintegrative needs, such as family functioning/social attitudes and life skills, and the provision of services to support the reintegration of offenders into their families/whānau, the community and the workforce.

| Output  | Reintegrative Services |                      |               |
|---|------------------------|----------------------|---------------|
|   | Budget                 | Actual               | Variance      |
| Quantity  |                        |                      |               |
| The number of hours delivered by the Public Prison Service for reintegrative services:  | 80,000-120,000         | 94,126               | Nil           |
| The number of support service hours to be provided will not be more than <sup>30</sup> :  | 38,850                 | 40,258 <sup>31</sup> | 1,408<br>(4%) |
| The number of offenders and their families/whānau receiving the service will be no more than <sup>32</sup> :                                      | 120                    | 120                  | Nil           |
| Quality   |                        |                      |               |
| The percentage of reintegrative service provided by the Public Prisons Service in accordance with an offenders plan to be no less than:           | 90%                    | 98%                  | 8%            |
| The percentage of offenders receiving assistance with planning for release or discharge for which an action plan is developed to be no less than: | 95%                    | n/a                  | n/a           |
| The percentage of offenders and their families/whānau for whom a discharge plan is completed before their discharge from the service to be:       | 100%                   | 100%                 | Nil           |

### Comment

A change in the contract with NZPARS meant the percentage of offenders receiving assistance with planning for release or discharge for which an action plan is developed was unable to be reported. The Department developed a new measure that more accurately reflects the service provided by NZPARS: "the percentage of referrals (urgent or otherwise) to NZPARS acknowledged within 5 working days of receipt", of which 99.8 percent was achieved for 2001/2002.

The percentage of reintegrative services delivered during the year reflects the increase in recognition of the importance of reintegrative services to inmate management.

<sup>30</sup> The New Zealand Prisoners' Aid and Rehabilitation Society (NZPARS) is currently contracted by the Department to provide these services

<sup>31</sup> The Full Year Budget was increased to 40,908 under the September 01 contract variation.

<sup>32</sup> The provision of Reintegrative Support Services to offenders and their families/whānau is being undertaken as a pilot at two sites. One site in Christchurch operated by PILLARS and the other in Auckland, jointly operated by Presbyterian Support Services (Northern) and PARS Auckland District. The pilots are funded until 30 June 2002. The aim of this pilot is to increase wellbeing and self-reliance of offenders and their families/whānau by providing intensive integrated family/whānau support for offenders returning to the community to parent children.

## Provision of Psychological Services

This output entails the provision of specialist psychological treatment services to offenders serving both custodial and community-based sentences. It includes the provision of reports resulting from the referral, assessment and treatment of offenders serving custodial sentences, and of professional training and supervision relating to the delivery of rehabilitative programmes and reintegrative services. It is delivered to offenders through individual or group sessions.

| Output   | Provision of Psychological Services |        |             |
|--|-------------------------------------|--------|-------------|
|  | Budget                              | Actual | Variance    |
| Quantity   |                                     |        |             |
| The number of psychological consultation hours provided to the                                       |                                     |        |             |
| • Community Probation Service:   | 15,645-17,295                       | 24,374 | 7,079 (41%) |
| • Public Prisons Service:  | 10,005-11,055                       | 10,202 | Nil         |
| The number of psychological reports provided to the  |                                     |        |             |
| • Community Probation Service:   | 850-940                             | 818    | -32 (-4%)   |
| • Public Prisons Service:  | 795-880                             | 803    | Nil         |
| The number of psychological consultation hours provided under the Bicultural Therapy Model:          |                                     |        |             |
|  | 3,750-4,250                         | 3,500  | -250 (-7%)  |
| Quality  |                                     |        |             |
| The percentage of psychological consultations which meet the following standards to be no less than: |                                     |        |             |
|  | 95%                                 | 100%   | 5%          |
| • A structured offender assessment interview is conducted.   |                                     |        |             |
| • Confidentiality and consent issues are explained.  |                                     |        |             |
| • Relevant history is obtained.  |                                     |        |             |
| • Assessment measures are used (as appropriate).   |                                     |        |             |
| • Problems are presented clearly formulated.   |                                     |        |             |
| • Treatment goals are specified (addressing assessed problems).                                      |                                     |        |             |
| • Appropriate interventions are used (based on current literature).                                  |                                     |        |             |
| • Adequate case notes are recorded for all sessions.   |                                     |        |             |
| • Records are kept of ongoing measures or observations to monitor inventions.                        |                                     |        |             |
| • Assessment and treatment reports are completed and delivered.                                      |                                     |        |             |

|  | Budget | Actual | Variance |
|--|--------|--------|----------|
| <b>Quality</b>   |        |        |          |
| The percentage of psychological reports which meet the following standards outline below to be no less than:   | 95%    | 100%   | 5%       |
| <ul style="list-style-type: none"> <li>• concise, logical and grammatically correct</li> <li>• source and reason for referral are clearly stated</li> <li>• all relevant and appropriate information is included</li> <li>• sources of information are well documented and verified</li> <li>• clear statements of recommendations for further intervention</li> <li>• complies with the Psychologists' Code of Ethics</li> </ul>  |        |        |          |
| The percentage of Māori Service Providers who comply with the following standards when delivering consultation hours under the Bicultural Therapy Model to be:   | 100%   | 91%    | -9%      |
| <ul style="list-style-type: none"> <li>• All referrals follow locally agreed referral processes.</li> <li>• The provider has received induction from the Psychological Service.</li> <li>• The provider has signed a contract for services.</li> <li>• Treatment provided is centred around Māori values and beliefs using the principles of Kaupapa Māori and Nga Tikanga Māori.</li> <li>• The provider is mandated by the relevant Oversight Committee, comprising representatives of local iwi and the Psychological Service.</li> <li>• A report is provided to the Psychological Service at the end of each referral.</li> </ul> |        |        |          |

#### Comment

The Community Probation Service exceeded planned consultation hours due to increased individual consultations, group consultations, Integrated Offender Management (IOM) training and supported practice. The actual hours provided reflect the minimum viable levels needed to manage risks.

Implementation of IOM in the Northern Region has impacted on the number of referrals for the Bicultural Therapy Model.

The number of consultation hours provided by the Psychological Service to both the Community Probation Service and the Public Prisons Service are demand driven. In the case of the Community Probation Service a greater demand for individual and group consultations, IOM training requirements, and associated supported practice accounted for the increase in hours beyond those forecast.

# B

OUTPUT  
PERFORMANCE

## OUTPUT CLASS 8: POLICY ADVICE AND DEVELOPMENT

This output class involves the provision of advice, development of policies, and Ministerial servicing relating to reducing re-offending, the effective management of corrections services, and the review, evaluation and development of service standards.

**Output Class Statement: Policy Advice and Development**  
for the year ended 30 June 2002

| 30/06/01     |                       | 30/06/02     | Main         | Supp.        |
|--------------|-----------------------|--------------|--------------|--------------|
| Actual       |                       | Actual       | Estimates    | Estimates    |
| \$000        |                       | \$000        | \$000        | \$000        |
|              | Revenue               |              |              |              |
| 3,697        | Crown                 | 3,724        | 3,643        | 3,724        |
| 0            | Other                 | 0            | 0            | 0            |
| <b>3,697</b> | <b>Revenue</b>        | <b>3,724</b> | <b>3,643</b> | <b>3,724</b> |
| <b>3,666</b> | <b>Total Expenses</b> | <b>3,503</b> | <b>3,643</b> | <b>3,724</b> |
| <b>31</b>    | <b>Net Surplus</b>    | <b>221</b>   | <b>0</b>     | <b>0</b>     |

## Policy Advice and Development Services

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

### Output Policy Advice and Development Services

|  | Budget | Actual | Variance |
|--|--------|--------|----------|
| Quantity   |        |        |          |
| Advice will be provided according to a work programme agreed with the Minister of Corrections:   | 100%   | 90%    | -10%     |
| Quality  |        |        |          |
| The Minister of Corrections will expect advice to be delivered according to the following quality standards to be:   | 100%   | 100%   | Nil      |
| <ul style="list-style-type: none"> <li>• The aims of the paper have been clearly stated and they answer the questions that have been set.</li> <li>• The assumptions behind the advice are explicit, and the argument is logical and supported by the facts.</li> <li>• The facts in the paper are accurate and all material facts have been included.</li> <li>• An adequate range of options has been presented and each has been assessed for benefits, costs and consequences to the Government and the community.</li> <li>• There is evidence of adequate consultation with interested parties and possible objections to proposals have been identified.</li> <li>• The problems of implementation, technical feasibility, timing and consistency with other policies have been considered.</li> <li>• The format meets Cabinet Office requirements, the material is effectively and concisely summarised, has short sentences in plain English and is free of spelling or grammatical errors.</li> </ul> |        |        |          |
| Timeliness   |        |        |          |
| Policy advice purchased delivered within the specific reporting deadlines agreed with the Minister of Corrections will be:   | 100%   | 100%   | Nil      |

### Comment

Most of the Department's 2001/2002 policy work programme was completed; however, turnover of staff in the Policy Development Group during the year impacted on the delivery of the full work programme. Additional staff have been recruited and management capability has been developed to enhance performance for 2002/03.

**B**

OUTPUT  
PERFORMANCE

## Ministerial Servicing

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

| Output Ministerial Servicing  | Budget | Actual | Variance     |
|---|--------|--------|--------------|
| <b>Quantity</b>   |        |        |              |
| The number of responses to be prepared to Ministerial correspondence is estimated to be:  | 600    | 642    | 42<br>(7%)   |
| The number of responses to Parliamentary questions is estimated to be:  | 500    | 609    | 109<br>(22%) |
| <b>Quality</b>  |        |        |              |
| The percentage of replies returned for redrafting not to exceed:  | 10%    | 24%    | 14%          |
| All responses signed out by either a general manager or, in his or her absence, an appropriate manager, to be:                                  | 100%   | 100%   | Nil          |
| <b>Timeliness</b>   |        |        |              |
| The percentage of responses to Ministerial correspondence completed within the timeframes agreed with the Minister's Office to be no less than: | 90%    | 69%    | -21%         |
| The percentage of responses to Parliamentary questions completed within the timeframes set by the Ministers office to be:                       | 100%   | 85%    | -15%         |

### Comment

Volumes of Ministerials and Parliamentary Questions continued to exceed forecast volumes, and these reflected issues across the full range of the Department's operations.

A large amount of the correspondence received is increasingly complex and requires significant research before responses can be drafted. This has led to more pressure on authors to research and write replies to increasingly complicated Ministerials and has resulted in more items missing their deadlines and being returned to the Department for redrafting.

**B**  
OUTPUT  
PERFORMANCE

## Provision of Psychological and other Research

This output involves the provision of psychological research and other approved projects of a psychological nature.

### Output Provision of Psychological and other Research

|  | Budget | Actual | Variance |
|--|--------|--------|----------|
| <b>Quantity</b>  |        |        |          |
| The percentage of research and evaluation delivered to agreed project milestones to be no less than:   | 95%    | 65%    | -30%     |
| <b>Quality</b>   |        |        |          |
| The percentage of psychological and other research that will be provided to the following criteria contained in the Psychological Service Manual to be no less than:   | 95%    | 100%   | 5%       |
| <ul style="list-style-type: none"> <li>• The hypothesis/aim of the research is clearly stated; capable of being tested; uses minimal variables; and is resourced appropriately.</li> <li>• Data collection is to meet appropriate standards of research design, and appropriate analysis tools are to be used.</li> <li>• The results are accurately and clearly described.</li> <li>• There is concise and thorough explanation of the implications of the results for the issues investigated.</li> <li>• The research should be peer reviewed both internally and externally.</li> <li>• The report is written in a format appropriate to the audience.</li> <li>• The aims of the paper are accurate and all material facts have been included.</li> <li>• The material is free of spelling or grammatical errors and an executive summary is provided if the report exceeds five pages.</li> <li>• When possible the material is published within internationally recognised journals.</li> </ul> |        |        |          |

### Comment

The requirement for the Psychological Service to be involved in developmental work associated with the implementation of the New Zealand Parole Board, as part of the overall implementation of the Parole Act 2002, impacted on their ability to complete their original work programme.

# B

OUTPUT  
PERFORMANCE

## OUTPUT CLASS 9: CONTRACT MANAGEMENT SERVICES (SERVICE PURCHASE AND MONITORING)

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

**Output Class Statement: Contract Management Services**  
(Service Purchase and Monitoring)  
for the year ended 30 June 2002

| 30/06/01     |                       | 30/06/02     | Main         | Supp.        |
|--------------|-----------------------|--------------|--------------|--------------|
| Actual       |                       | Actual       | Estimates    | Estimates    |
| \$000        |                       | \$000        | \$000        | \$000        |
|              | Revenue               |              |              |              |
| 3,629        | Crown                 | 6,091        | 6,001        | 6,091        |
| 0            | Other                 | 0            | 0            | 0            |
| <b>3,629</b> | <b>Revenue</b>        | <b>6,091</b> | <b>6,001</b> | <b>6,091</b> |
| <b>3,567</b> | <b>Total Expenses</b> | <b>5,379</b> | <b>6,001</b> | <b>6,091</b> |
| <b>62</b>    | <b>Net Surplus</b>    | <b>712</b>   | <b>0</b>     | <b>0</b>     |



## Purchase and Monitoring of Service Delivery

This output involves the development, management and monitoring of:

- Internal Purchase Agreements with the four internal providers of corrections services (Public Prisons Service, Community Probation Service, Psychological Service and Corrections Inmate Employment);
- services purchased from external providers, in particular with Australasian Correctional Management Limited, Chubb New Zealand Limited and New Zealand Prisoners' Aid and Rehabilitation Society; and
- interagency agreements, in particular the agreements with Child, Youth and Family Service and the Department for Courts, and memoranda of understanding with New Zealand Police, Inland Revenue Department, Ministry of Housing, Housing Corporation of New Zealand, Career Services and Fresh Start.

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

### Output Purchase and Monitoring of Service Delivery

|   | Budget | Actual | Variance         |
|---|--------|--------|------------------|
| Quantity  |        |        |                  |
| The number of Internal Purchase Agreements with internal providers:   | 4      | 4      | Nil              |
| The number of contracts for services with external providers negotiated and managed by Service Purchase and Monitoring: | 3      | 2      | -1 <sup>33</sup> |
| The number of interagency agreements managed:   | 11     | 11     | Nil              |
| The number of community funding contracts to be negotiated with external providers:                                     | 63-77  | 76     | Nil              |
| The number of contracts between the Community Probation Service and habilitation centres and Montgomery House:          | 4      | 3      | -1 <sup>34</sup> |

<sup>33</sup> During the course of the 2001/2002 financial year the management of the Chubb contract relating to the escorting and courtroom supervision of offenders in the Northland/Auckland region was transferred to the Public Prisons Service.

<sup>34</sup> The Department made a decision early in the financial year to terminate the contract with the Te Whānau O Waipareira Trust Habilitation Centre.

|  | Budget | Actual | Variance |
|--|--------|--------|----------|
| <b>Quality</b>   |        |        |          |
| The percentage of contracts for services with external providers and of Internal Purchase Agreements that meet the following standards to be:  | 100%   | 100%   | Nil      |
| <ul style="list-style-type: none"> <li>• Services are clearly described.</li> <li>• Performance measures and standards are specified.</li> <li>• Price and payment regime (including incentives as appropriate) is specified.</li> <li>• Format and dates of reporting requirements are specified.</li> </ul>  |        |        |          |
| The percentage of contracts for services with external providers and of Internal Purchase Agreements that are regularly reviewed and reported on in terms of the following criteria to be:   | 100%   | 100%   | Nil      |
| <ul style="list-style-type: none"> <li>• The procedures are being followed.</li> <li>• Service delivery and performance measures are as specified.</li> <li>• The quality of service delivery and performance is as specified.</li> <li>• The manner, timing and form of reporting is as laid down.</li> </ul>   |        |        |          |
| The percentage of interagency agreements managed in accordance with the review and reporting provisions to be:   | 100%   | 100%   | Nil      |
| The percentage of community funding contracts with a value of \$20,000 (or over) that have performance measures and standards to the following criteria to be:   | 100%   | 72%    | -28%     |
| <ul style="list-style-type: none"> <li>• The correct parties to the contract are specifically identified and the parties have legal power to contract and are a legal entity.</li> <li>• The term of the contract has been identified.</li> <li>• The price is identified in the schedule of the contract.</li> <li>• The payment regime is specified.</li> <li>• The format and dates of reporting requirements are stated.</li> <li>• The mechanism for resolving disputes is stated.</li> <li>• The programme is clearly described (including programme aims, content and delivery process).</li> <li>• The contract is legal.</li> </ul> |        |        |          |
| <b>Timeliness</b>  |        |        |          |
| The percentage of interagency agreements that are renegotiated and/or reviewed by the date specified to be:  | 100%   | 100%   | Nil      |
| The percentage of community funding contracts with values of \$20,000 (or over) agreed and in place by the agreed date to be no less than:   | 95%    | 100%   | 5%       |

#### Comment

A review of community funding contracts was undertaken during the year. The review found that 28 percent of the contracts did not meet the required standard. In response to this an enhanced contract monitoring system was developed for the 2002/2003 financial year. This system is designed to ensure that sufficient information is contained in all new funding contracts and that these contracts are regularly monitored at both area and national level.

**B**OUTPUT  
PERFORMANCE

## Provision of Inspectorate Services

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

| Output   | Provision of Inspectorate Services |        |          |
|--|------------------------------------|--------|----------|
|  | Budget                             | Actual | Variance |
| <b>Quantity</b>  |                                    |        |          |
| The number of inspections in the inspectorate work programme for 2001/2002 as approved by the Assurance Board will be as follows   |                                    |        |          |
| • Routine visits:  | 80-120                             | 93     | Nil      |
| • Special investigations:  | 10-30                              | 17     | Nil      |
| <b>Quality</b>   |                                    |        |          |
| The percentage of inspections that are carried out to the following criteria to be:  |                                    |        |          |
|  | 100%                               | 100%   | Nil      |
| • to a quality which satisfies the Assurance Board   |                                    |        |          |
| • according to the guidelines and standards of the New Zealand Institute of Internal Auditors  |                                    |        |          |
| <b>Timeliness</b>  |                                    |        |          |
| All reports on routine inspection visits will be finished within one month of visit. All special reports will be finished within the time period agreed in the terms of reference for the investigation: |                                    |        |          |
|  | 100%                               | 94%    | -6%      |

### Comment

The finalisation of special reports was occasionally delayed by the need to await the outcome of Police enquiries or by the need for expert (eg, medical) opinion to be gathered.

## Provision of National Systems Services

This output involves the:

- provision of secretariat services to the Parole Board
- administration of the Victims Notification Register
- provision of offender records services
- development and maintenance of national systems
- administration of statutory appointments and delegations affecting offender management.

### Output Provision of National Systems Services

|   | Budget | Actual | Variance  |
|---|--------|--------|-----------|
| <b>Quantity</b>   |        |        |           |
| The number of Parole Board meeting days to be supported:  | 50     | 51     | 1<br>(2%) |
| <b>Quality</b>  |        |        |           |
| The percentage accuracy of the statutory appointment and delegations registers affecting the operational management of inmates to be:   | 100%   | 100%   | Nil       |
| <b>Timeliness</b>   |        |        |           |
| The percentage of national systems transactions completed within seven working days of application being received to be:                | 100%   | 100%   | Nil       |
| The percentage of applications for victims' registration processed within 10 working days of being received to be:                      | 100%   | 100%   | Nil       |
| The percentage of personal records established for inmates imprisoned for six months or more within 10 working days of reception to be: | 100%   | 100%   | Nil       |

# B

OUTPUT  
PERFORMANCE

# PART C CAPABILITY

Human Resources Management  
Information Technology  
National Prison Facilities and Services Strategic Plan  
Prison Maintenance and Development Plan  
Statutory and Management Board Reports  
Private Providers and Outsourcing

## HUMAN RESOURCES MANAGEMENT

The Department continued work on implementing the initiatives outlined in the Department's current *Human Resource Strategy*, which has focused on supporting the Department's direction of reducing re-offending by supporting the implementation of initiatives outlined under each of the Department's Strategic Goals.

- There was an emphasis on the review and development of systems to support IOM and on structural changes to increase efficiency and effectiveness in the regional provision of services.
- A review of manager competencies, remuneration and performance management systems has been completed with final decisions due for implementation after June 2002.
- A new competency pay system for Probation Officers and administrative officers in the Community Probation Service commenced in August 2001. Managers and staff have been trained in the new system. A national review committee in partnership with the Public Service Association was set up to identify issues arising from the operation of the new system.
- A review of the Community Probation Service was completed to establish the most effective management arrangements for the delivery of core operations.
- Work relating to manager recruitment, induction and development has been consolidated into a Management Development Programme for delivery in 2002/2003.
- The Professional Ethics Strategy was completed in February 2002. The Public Prisons Service has agreed to the Terms of Reference and a detailed project plan. A four-phased implementation plan began in July 2002 that will cover an implementation period of 18 months. The project has attracted interest from many quarters, including the New Zealand Public Service and overseas Corrections jurisdictions.
- Completion of a revised regional management structure in the Public Prisons Service was implemented in the

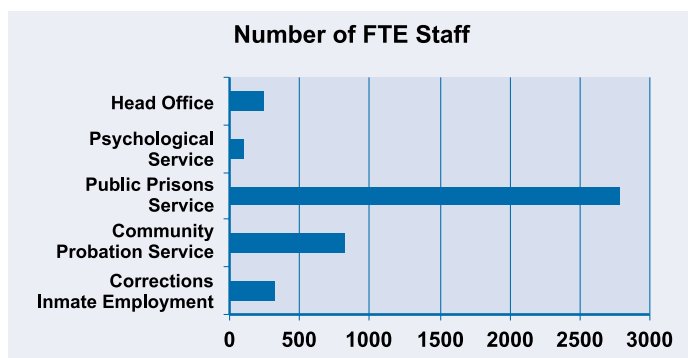


HUMAN  
RESOURCES  
MANAGEMENT

December quarter. All positions resulting from the new regional management structure have been filled. An assessment of administrative resources needed to support the new structure was completed and will be rolled out in the regions in the 2002/2003 year.

### Key Human Resource Statistics for 2001/2002

The Department of Corrections employs 4,277 full time equivalent staff (FTE) (as at 30 June 2002). The distribution of staff throughout the services and head office groups is shown below.



### Staff-related costs

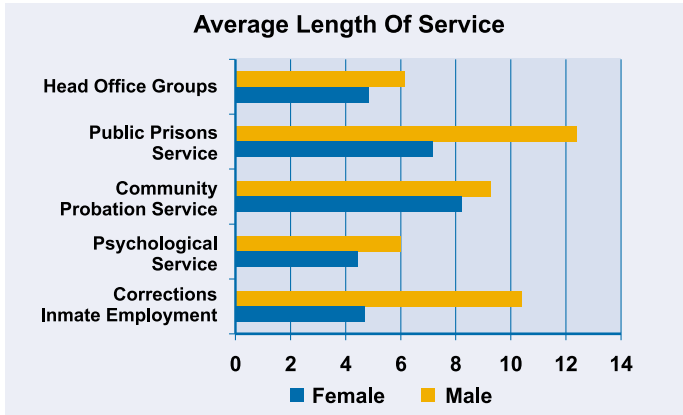
In the 2001/2002 financial year the Department's Annual Operating Budget was \$454.611 million (GST-exclusive). Of this amount 47.4 percent was budgeted for staff-related costs.





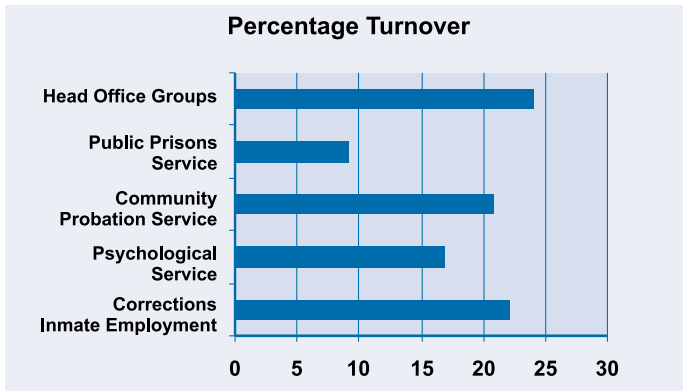
### Length of Service

The illustrations below show the breakdown of the average length of service of staff by service or group, within role.



### Staff Turnover

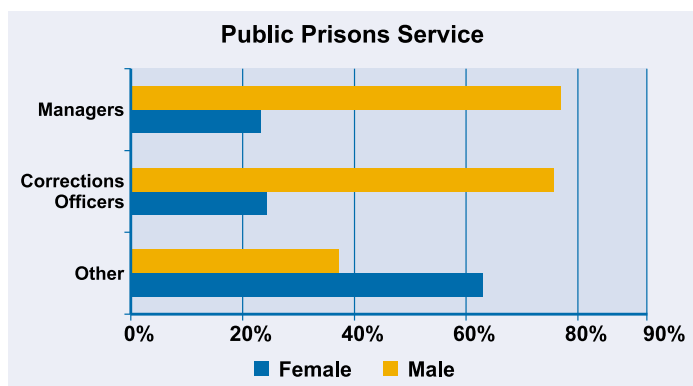
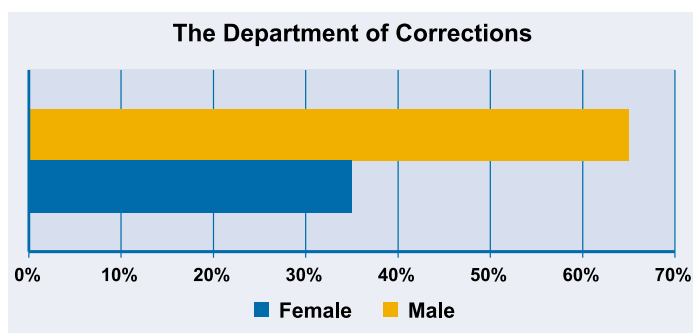
The following graph shows the percentage turnover for each service and the head office groups.



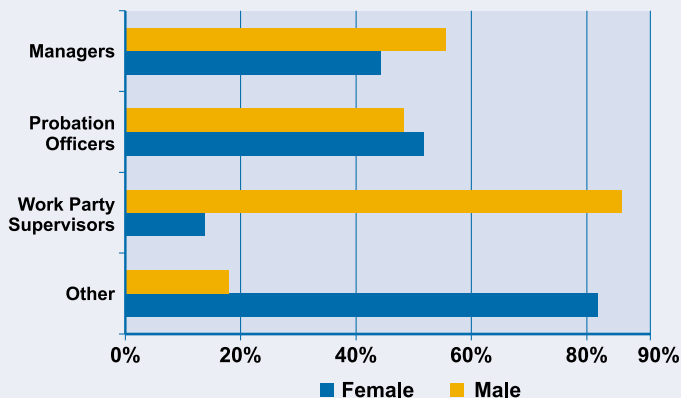
### Total Employees by Gender and Ethnicity

The Department is committed to equal opportunity in all its employment policies and procedures. The Department's policies and systems enable employees to reach their full potential within the organisation regardless of gender and ethnicity.

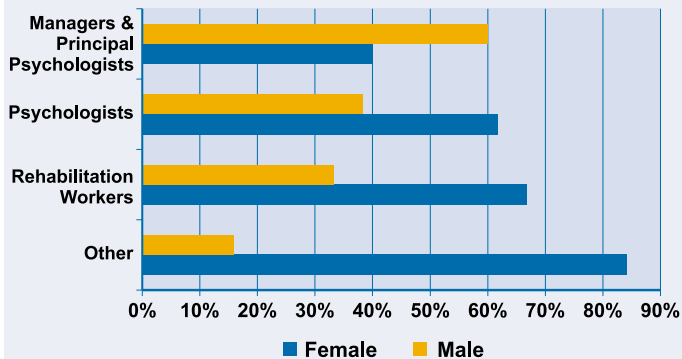
Of the 4,277 FTE staff, 66 percent are male and 34 percent are female. The distribution of staff by gender across the Department's groups and services is shown below.



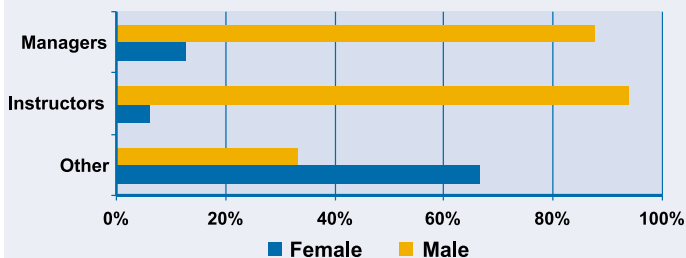
### Community Probation Service



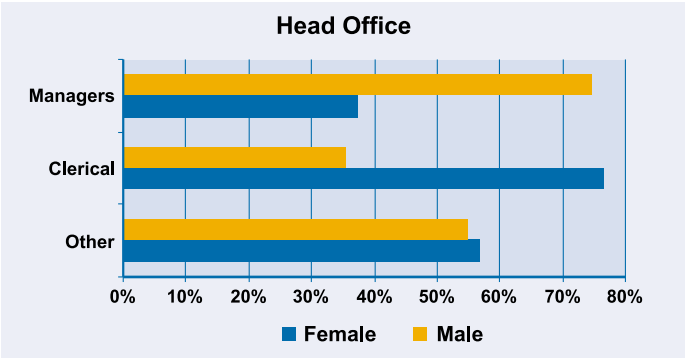
### Psychological Service



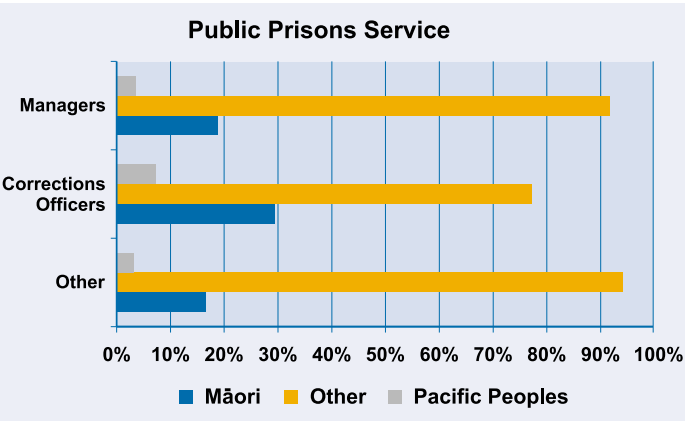
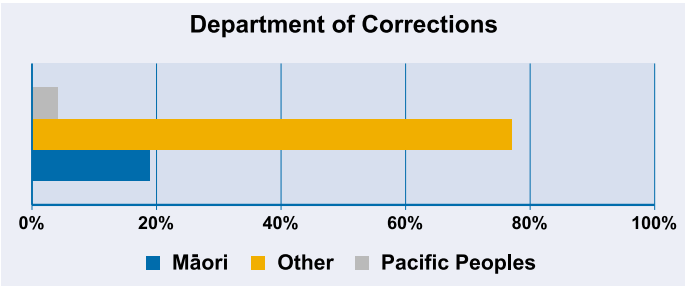
### Corrections Inmate Employment



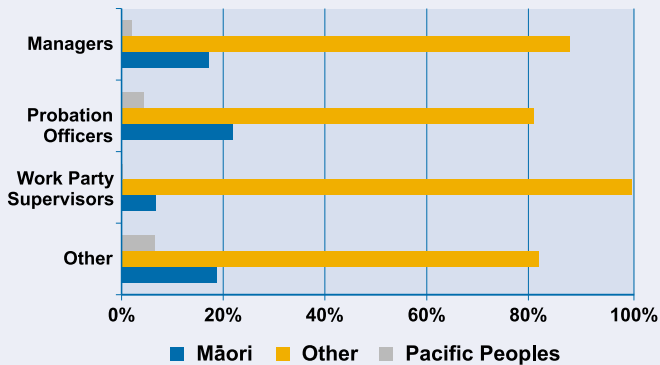
HUMAN  
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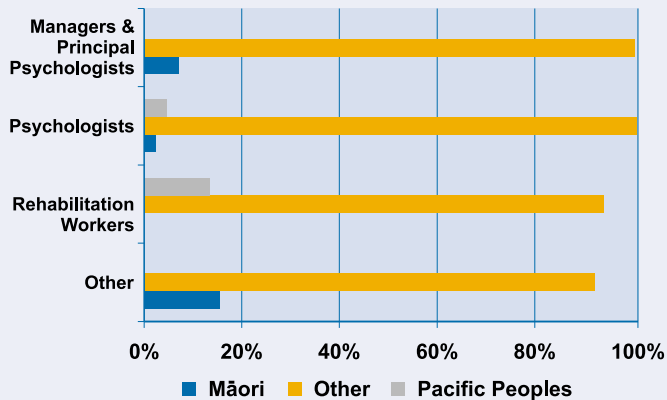
Percentage distribution of staff by ethnicity are displayed below:



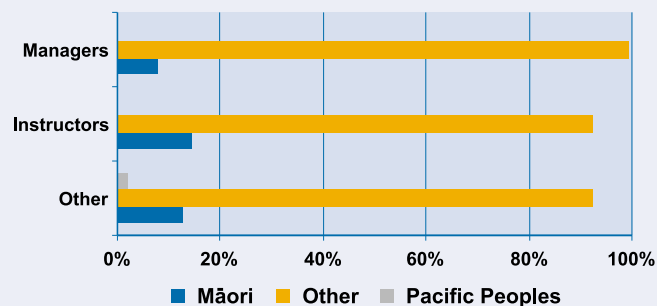
### Community Probation Service



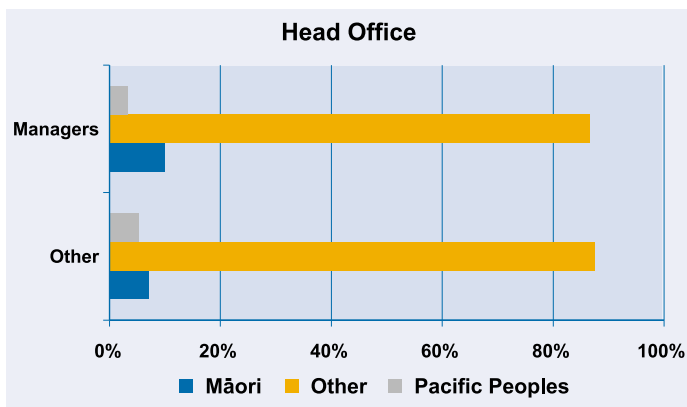
### Psychological Service



### Corrections Inmate Employment



HUMAN  
RESOURCES  
MANAGEMENT



During the 2000/2001 financial year, 255 managers earned performance payments. These were paid out in the 2001/2002 financial year. The total value of the performance payments was \$1,049,364. The average payment, calculated on those who received a payment, was \$4,115 (an average payment of 6.13% of base salary for those who received a payment).

A new remuneration system has been developed for managers, to take effect from 1 July 2002. This system allows for progression within a base salary range and places less emphasis on the one-off performance pay component.

## INFORMATION TECHNOLOGY

Information Technology (IT) activities were focussed on the IT Strategic Plan projects and other major initiatives during the year, which included:

- the Department's Information Technology Platform
- releases of the Integrated Offender Management System (IOMS) to support implementation of Integrated Offender Management (IOM)
- releases of IOM to support the introduction of the Sentencing Act 2002 and the Parole Act 2002
- justice sector interfaces
- e-government.

### Information Technology Platform

The implementation of the centralised server (thin client) architecture that was started in the 2000/2001 financial year was completed on time in October 2001.

These changes to the IT platform were a fundamental shift from a distributed environment to a centralised one. The major drivers for the shift were to:

- reduce the constant need to upgrade the Department's 3,000 desktop PCs
- ensure that staff had access to the most recent office software without the need for PC upgrades
- contain the cost of facilities managing the environment
- ensure that optimum performance of the business-critical applications was achieved
- simplify IT operational management tasks.

The project involved a large logistical operation with every one of the Department's desktops and laptops in over 220 locations required to be migrated over a 10-week period. The change also required the implementation of two large "server farms" in Auckland and Wellington and a new network designed specifically to support the thin client architecture.

The project has delivered the expected cost containment, stability and performance benefits.



INFORMATION  
TECHNOLOGY

## **Releases of the Integrated Offender Management System (IOMS) including the Sentencing and Parole Reform Legislation**

Releases of IOMS were completed on schedule with the software updates being implemented in September 2001 and February and June 2002.

The IOMS release in September 2001 contained functionality relating to the implementation of IOM business processes, specifically the Sentence Planning/Sentence Management processes.

The February 2002 IOMS release contained updates to the functionality for psychological service components of IOMS.

The June 2002 IOMS release supporting sentencing and parole reform was achieved on time and within the funding provided by Government. This release took the best part of a year and involved at times over 100 people on the project. It is estimated that the fundamental changes made to sentence calculations by the reforms have resulted in the re-development of nearly 70 percent of IOMS.

While the project was very large it was well run, with effective governance structures in place, and has resulted in an efficient IOMS architecture that will provide benefits for the Department for at least the next three to five years.

## **Justice Sector Interfacing**

The Department has continued involvement in justice sector initiatives relating to data exchange on a secure network service across the sector.

Interfaces have been implemented with the Department for Courts COLLECT system and fines data is now retrieved from the COLLECT system, rather than the LES system.

As part of the sentencing and parole reform project new interfaces were implemented with the Police Information Technology platform. Further interfaces to the Police platform will be implemented in the next financial year.





Interfaces between IOMS and the Department for Courts new Case Management System (CMS) have been delayed due to delays in the CMS system. These will now be implemented in the 2002/2003 financial year.

Corrections will continue to access data from the other justice sector agencies on the LES system until the new interfaces with Courts and Police systems are complete.

### **E-government**

During the year the Department continued to participate in the State Services Commission-led e-government initiative. This included undertaking work on the definition of meta data relating to the services delivered to the public, contributions to the interoperability framework and a review of the guidelines for managing and monitoring large IT projects.

## **NATIONAL PRISON FACILITIES AND SERVICES STRATEGIC PLAN**

### **New Regional Prisons Development**

The key drivers facing the Department as outlined in the National Prison and Services Strategic Plan are:

- forecasts of a continued increase in the incidence, reporting, conviction rates and severity of crime
- an increase in the number of offenders in custody
- growth in categories of offending such as youth offending that place particular requirements upon facilities and services
- increased emphasis on reducing re-offending and the realisation that services can be provided to impact on this
- the use of alternative sentences such as home detention.

In planning to supply the capacity to address this demand the Department's strategy has been based on three elements:

- strategic focus on reducing re-offending
- the regional prisons policy by which inmates should be held as near to their home or support as possible

- the comprehensive prison policy by which new prisons should include a range of facilities and services enabling them to hold and provide for most inmate categories.

An outline of the current situation in respect of the development of each prison follows.

### **Northland Region Corrections Facility**

The Northland Region Corrections Facility site in Ngawha will be a 350-bed facility for male inmates.

General earthworks and realignment of the State Highway 12 intersection accessing the site has commenced. Design is fully completed.

The lengthy Resource Management Act process culminated in a comprehensive decision in our favour from the Environment Court in January 2002. An appeal to the High Court in June 2002 upheld the Environment Court's decision. Although work has now begun, there is an outstanding risk of appeal from opponents to the new prison. This appeal is likely to be based on whether Māori values are considered fairly by the legal process. There have also been protests on the site, followed by arrests.

Cabinet has approved funding for the construction, commissioning and ongoing operation of the facility. The main building contract will be awarded in November 2002. The anticipated opening of this facility is late 2004.

### **Spring Hill Men's Corrections Facility**

The proposed site for this 650-bed male facility is between Hall Road and Hampton Downs Road near the settlements of Mercer, Meremere and Te Kauwhata, South Auckland.

The Department is seeking designation and resource consents in a joint application to Environment Waikato and Waikato District Council. Planning consents will be heard in November 2002 and design is progressing towards the completion of the full contract documentation in May 2003.



The Department has entered into a second formal contract with successive Waikato Tainui entities. The focus is on the development of a sustainable Memorandum of Partnership with the broader interests of Waikato Tainui.

Throughout the development of these agreements the Department has undertaken extensive consultation on design and consent issues.

The anticipated opening date for this facility is December 2005.

### **Auckland Region Women's Corrections Facility**

The site selected and subsequently purchased for this comprehensive 150-bed women's facility is in Manukau City, South Auckland.

Earthworks to provide a building platform from the former quarry will be completed by September 2002. This work has added value to the site irrespective of the outcome of Resource Management Act applications. No further resource consents are required.

The Minister of Corrections issued the notice of requirement for a designation in May 2002 to the Manukau City Council. This formally sets in motion the required planning process, which leads to authority from the Council for the Minister of Corrections to build and operate the corrections facility; this is expected by December 2002. If there are any appeals to the Environment Court, a further year will be required.

Extensive consultation is ongoing with the general public, neighbours and tangata whenua. Although many risks have been mitigated, the position of tangata whenua is not fully resolved.

The design is advancing from preliminary outlines to detail, in consultation with local iwi and other stakeholders. A business case is currently with Treasury, seeking further funding for the construction of this facility.

The anticipated opening of this facility is June 2005, pending the outcome of any appeals to the Environment Court.

### Otago Region Men's Corrections Facility

The Department announced in June 2002 that it had identified a preferred site for the building of a 330-bed facility in Otago. The site selected is at Milburn, which is approximately fifty minutes travelling time south of Dunedin and six kilometres north of Milton. The purchase of this site becomes unconditional on 1 August 2002.

At this stage it is not anticipated that the facility will be completed before 2007. This assumption may need to be revisited, depending on the outcome of issues associated with the development of the other three sites.

A technical investigation of the site is currently underway.

The Department is in the early stages of consultation with the general public, neighbours and the tangata whenua. The consultation outcome will be documented in support of the application for planning agreement.

### PRISON MAINTENANCE AND DEVELOPMENT PLAN

- In addition to the 120 high security cells to be built at Rimutaka, an extra 60 high security cells have been added to the project following the enactment of the Sentence Act 2002 and the Parole Act 2002. The 180-cell unit is on target for completion in October 2002. The medical, inmate receiving, at-risk unit and new security control together with an interim solution for the increased visitor requirements will be substantially complete at the same time. The first phase of water, power and sewerage upgrade has been completed. A new central kitchen has been designed and construction will commence shortly.
- Security at Auckland Prison has been improved with completion of new perimeter fences, detection systems and an upgrade of the central electronic security system. Rebuilt control rooms have been required to accommodate the new equipment. This was the last project of the security funding provided by Cabinet in 1998 and spread over three years.



- Design work has commenced in preparation for refurbishment of the high security wings at Wanganui Prison. This is funded from the deferred maintenance appropriation; work on site will start in the fourth quarter of the 2002/2003 financial year depending on muster levels.
- Waikeria Prison is undergoing refurbishment of the high-medium facilities following the new perimeter fence commissioning. Preliminary designs for new receiving, visits, and entry control have been completed. A new administration building built outside the fence frees up space for the next stage, which will complement the new at-risk unit commissioned recently.

## STATUTORY AND MANAGEMENT BOARD REPORTS

### Assurance Board

The purpose of the Assurance Board is to assist the Chief Executive in ensuring that the Department's Risk Management Framework is operating effectively and efficiently. The framework, an integral component of departmental operations, was implemented across the Department by June 2001.

The Board receives formal reports on the Department's risk management and performance monitoring activities and reviews progress in key risk areas through reports from Internal Audit, the Inspectorate and from departmental management. It continues to maintain professional oversight of the operations of the Department's Internal Audit and Inspectorate functions.

A wide range of matters fall within the Board's mandate. One of its primary areas of focus has been to receive reports providing assurance as to the secure custody and the safe, fair and humane treatment of offenders, along with the maintenance of effective offender management and complaint resolution systems.

Close attention has also been directed at assurance reports monitoring the Department's progress on key strategic initiatives, in particular the:

- implementation of Integrated Offender Management
- Regional Prisons project
- technology changes brought about by new legislation, in particular the Sentencing Act 2002 and the Parole Act 2002.

The Board acknowledges the progress made in each of these areas and notes there has been positive operational response to matters requiring attention from these reports.

The Board is chaired by the Chief Executive and includes four external members: Brian Roche (Partner, PricewaterhouseCoopers); June McCabe (Chief Manager Government Business, Westpac Trust); Gerry Conroy (Partner, PricewaterhouseCoopers) and David Henry (Chief Electoral Officer). Board meetings are bimonthly.

### Chief Executive's Māori Advisory Group

The Chief Executive's Māori Advisory Group provides advice and feedback to the Chief Executive on Māori issues. The group ensures that the Chief Executive is given advice on the strategic, policy and operational issues that affect Māori. Issues concerning the Department and affecting the Māori community are raised with the Chief Executive. The group also provides feedback from the Māori community in relation to Department activities.

Consultation this year has included:

- the Strategic Framework for the Responsiveness of IOM for Māori
- building effective relationships with Māori communities, as part of the Māori communications strategy
- Kaumātua access for prison visits
- cultural supervision and special cultural assessment
- policy on guidelines for formalising long-term relationships with Māori through a Memorandum of Partnership
- Treaty of Waitangi Strategy

The group is chaired by the Chief Executive and includes six external members: Harry Eruera, Hori Martin, Haami Piripi, Amster Reedy, June Robinson and Althea Vercoe.

The Māori Advisory Group supports the development of initiatives that meet the Department's aim to be more responsive to Māori. Its work contributes to the strategic goal of Reducing Re-offending by Māori.

### **Inmate Employment Advisory Board**

The Inmate Employment Advisory Committee (IEAC) advises the Chief Executive on: the implementation of inmate employment policy; the external and internal operational targets and financial performance; and the identification and management of risk arising from the Department's inmate employment activities.

The year was one of change. The new combined inmate employment entity, Corrland Inmate Employment, subsequently renamed Corrections Inmate Employment (CIE), commenced operations on 1 July 2001.

Despite the upheaval engendered by the new entity "bedding in" uniform policies and processes, inmate employment outcomes (hours and training) were maintained at the previous year's level.

Progress was made in the implementation of a tailored instructor remuneration and training regime. The new collective agreement reached with the Public Service Association and Corrections Association of New Zealand settled an area of contention that had affected inmate employment activities for several years. A skills audit currently underway promises to deliver a clearer picture of the training resource required to equip instructors with the technical competencies to both drive operations and deliver training to inmates.

Other one-off projects have been completed. These include

Integrated Offender Management (IOM) implementation and compliance, establishment of a risk management framework, and instituting a peer review process. A catering review is currently underway and this promises significant benefits as diets and purchasing of raw materials are standardised nationally.

Working closely with the other services in the Department and external agencies, CIE is poised to make a valuable contribution to the Department's goal of reducing re-offending through increasing the likelihood of an inmate obtaining legitimate post-release employment.

### **Psychological Service Advisory Board**

The role of the Psychological Service Advisory Board is to oversee the strategic direction and operational performance of the Service. This includes such tasks as overseeing the implementation of the Bi-cultural Therapy Model and the integrated offender programme within the Service. The Board also has a role assessing the efficiency succession planning and development of current and potential management staff, and monitors the efficiency of recruitment and retention practices.

The Board meets monthly and reports to the Chief Executive on a quarterly basis to provide advice on management and operational performance.

### **National Parole Board**

The Parole Board is an independent decision-making body established by Section 130 of the Criminal Justice Act 1985 to perform various functions, mostly in relation to the release of long-sentence inmates. The Department of Corrections provides administrative support.

Details of the operation of the Parole Board are contained in its Annual Report for the year ended December 2001. When published, the Annual Report can be obtained from the New Zealand Parole Board Support Services Manager, PO Box 939, Wellington.



## PRIVATE PROVIDERS AND OUTSOURCING

### Escort and Courtroom Custodial Services

Chubb New Zealand Limited continued to provide prisoner escort and courtroom custodial services in Northland and Auckland under a contract with the Department, which commenced on 1 October 1998. During the year, Chubb carried out 26,892 prisoner escorts and 8,021 court custody tasks.

Chubb's compliance with the conditions of the contract is assessed and reviewed by the Department's Security Monitor who is appointed under the provisions of the Penal Institutions Act 1954, sections 36ZD(2) and 36ZF. The Monitor provides the Chief Executive with assurance of compliance through regular reporting, providing recommendations and undertaking actions to matters raised as part of the monitoring process.

### Auckland Central Remand Prison

Opened on 13 July 2000, the Auckland Central Remand Prison (ACRP) is the first privately run prison in New Zealand and is managed by the Australasian Correctional Management PTY Limited (ACM). It is the main reception prison for the Northland and Auckland regions.

ACRP houses 277 general population inmates, and up to 22 special needs inmates, with capacity for up to 360 if necessary. Within these figures are 32 sentenced inmates, who provide an internal-servicing role in the kitchen, laundry and other areas of the prison. ACRP also provides a range of educational and rehabilitative programmes for its sentenced and remand inmates including: alcohol and drug; violence prevention; modules in the National Certificate in Employment Skills; Tikanga Maori; and programmes specifically addressing offending by Pacific peoples (through Tangata Pacifica).

In terms of sections 36ZD(2) and 36ZF of the Penal Institutions Act 1954, the Department has appointed a Security Monitor at



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the prison. The Monitor's role is to provide assurance to the Chief Executive of the Department of Corrections that ACM is complying with the terms and conditions of its contract.

The only breakout escape from this prison occurred in November 2000. Otherwise the terms and conditions of the contract are being met in a satisfactory manner.

### Home Detention

Home detention allows eligible offenders to serve their sentences outside prison under electronic and physical surveillance, and under intensive supervision by Probation Officers from the Community Probation Service.

Chubb New Zealand Limited provided services related to the administration of home detention throughout New Zealand under a contract with the Department that commenced in August 1999. Under that contract Chubb New Zealand Limited provides electronic monitoring and manual surveillance services to the Department of offenders who are serving a home detention order.

Home detention is now available within one hour's drive of most service centres. During the year 861 offenders commenced a home detention order.

### External Providers of Programmes for Offenders

The Community Probation Service contracts with a number of providers for the provision of both residential programmes and non-residential programmes during the 2001/2002 year. Non-residential programmes purchased during the year included Alcohol and Drug Programmes, Violence Prevention Programmes and Sex Offender Treatment Programmes.

During the year the Department continued to contract with two habilitation centres for the provision of residential programmes:

- Te Ihi Tu Trust in New Plymouth who deliver a kaupapa Māori programme addressing issues relating to the offending on an individual case management basis



- Salisbury Street Foundation in Christchurch which focuses on men who have a long history of offending and imprisonment.

Another residential treatment programme is operated by Montgomery House in Hamilton and this provides programmes for men who repeatedly commit serious violent offences.

During the year the Department undertook a review of habilitation centres in light of the introduction of Integrated Offender Management and confirmed their role as providers of a mix of rehabilitative and reintegrative programmes to offenders.

From 1 July 2002 the two existing habilitation centres and Montgomery House are now known as community residential centres.



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OUTSOURCING

# PART D

## ADDITIONAL INFORMATION

Legal Mandate  
Public Reports  
Departmental Structure  
Interagency Agreements  
Intersectoral Committees  
Terms and Definitions

## LEGAL MANDATE

The Department operates within a strong compliance environment with regulations, contracts and delegations. Key pieces of legislation are:

- The Penal Institutions Act 1954 (and the Penal Institutions Regulations 2001) provides the legal framework for the management and operation of prisons and inmates. The 2001 amendment to this Act empowered telephone monitoring within prisons. The Department of Corrections, the Department for Courts and the Ministry of Justice jointly administer this Act.
- The Sentencing Act 2002 (and associated regulations) was implemented on 30 June 2002 and together with the Parole Act, largely replaces the Criminal Justice Act 1985. Legislation relating to home detention is contained in the Sentencing Act. The Department of Corrections, The Department for Courts and the Ministry of Justice jointly administer this Act.
- The Parole Act 2002 (and associated regulations) was implemented on 30 June 2002 and together with the Sentencing Act, largely replaces the Criminal Justice Act 1985. The Department of Corrections, the Department for Courts and the Ministry of Justice jointly administer this Act.



## PUBLIC REPORTS

The following reports were produced during the 2001/2002 year and are available from the Department of Corrections Information Centre:

- *Inmate Employment Policy*

The objective of this revised inmate employment policy (reprinted in May 2002) is to increase the chances that inmates will obtain legitimate post-release employment through the maintenance or promotion of work habits and skills and thus contribute positively to reducing re-offending.

- *Inmate Employment Strategic Plan July 2001-2004*

This document gives an overview of the key strategies and goals for inmate employment over the next three years.

- *Strategy to Reduce Drug and Alcohol Use in New Zealand Prisons 2001-2004*

This strategy intends to:

- provide a national framework that will be administered at a regional and prison level
- achieve, as part of the roll-out of the IOM framework, greater consistency in the implementation of the drug strategy during the 2001-2004 period
- create a consistent approach where possible throughout the country to reducing the use of drugs in prisons.

- *Better Corrections Law – Summary of Submissions on Better Corrections Law for New Zealand*

This report presents a summary of responses to the Department's discussion document *Better Corrections Law for New Zealand*. A total of 181 submissions were received. Eleven focus groups and four public meetings were held. The majority of submissions were concerned with imprisonment, advocating better treatment of inmates and a system oriented to maximising positive rehabilitation and reintegration outcomes.

- *Let Māori Take the Journey*

Summarising the hui and written submissions on *He Whaakinga*, the Department of Corrections' draft Treaty of Waitangi Policy Statement, topics discussed include:



- the Department's involvement of whānau, iwi, hapu Māori communities and Māori provider groups in working with Māori offenders
  - the nature of "partnerships" between the Department and Māori
  - the use and safety of tikanga Māori in a corrections environment
  - the representation and role of Māori staff within Corrections.
- *Treaty of Waitangi Strategic Plan 2001-2003 – Kotahi Ano Te Kaupapa; Ko Te Oranga O Te Iwi*

In 1999 the Department of Corrections produced *He Whaakinga*, a draft statement that outlined how the Department might utilise the Treaty as a framework to build relationships, strengthen communications and facilitate effective participation with Māori in the delivery of the Department's services.

*He Whaakinga* was put out for consultation with staff, other departments, Māori communities and Māori inmates. It was revised to reflect the views that were received during that consultation process. The result is the Treaty of Waitangi Strategic Plan for 2001 to 2003.

The strategy is comprised of three parts:

- a *kaupapa* or vision statement
  - a policy statement; and
  - an implementation plan.
- *Fact Sheet: Offender Forecasts for 2013*
- The Department anticipates needing to target resources in the future, in this look at trends in offending, and in population growth, to determine what will happen.
- *Statement of Intent 2002/2003*
- A statement of corporate intent for the year 2002/2003, required under Section 34A of the Public Finance Act 1989.

## DEPARTMENTAL STRUCTURE

The Department of Corrections was set up on 1 October 1995 following government decisions on the recommendations of the Review of the Department of Justice in 1994.

The core business of the Department of Corrections is the management of custodial and non-custodial sentences and orders imposed by the courts. This includes the administration of sentences of imprisonment, home detention and those sentences/orders undertaken by offenders in the community such as supervision, community work and parole. Corrections also provides information to the judiciary to inform decision-making and provides administrative, financial and secretariat services to the New Zealand Parole Board (as at 1 July 2002).

The Department operates 17 Public Prison institutions and the Auckland Central Remand Prison, 15 Community Probation areas offices, 132 service centres, eight Psychological Service offices and head office.

The Department also operates Special Treatment Units which include:

- Sex Offender Treatment Units
- Drug and Alcohol Treatment Units
- Violent Offender Treatment Unit.

The following units are also operated by the Department within prisons:

- Māori Focus Units
- Self Care Units
- Youth Units.

To coordinate inmate employment initiatives the Department has a dedicated Corrections Inmate Employment function.

The Department comprises eight services and groups.

### Services

**The Public Prisons Service** is responsible for the safe, secure, and humane containment of sentenced and remand inmates.





Sentenced inmates are those incarcerated following conviction. Remand inmates are those who have been charged with an offence and are being held in custody pending plea, trial, or sentencing. The service is also responsible for managing the sentence needs of each offender including rehabilitation and reintegration.

***The Community Probation Service*** (CPS) provides information and reports to judges (to assist them when sentencing offenders) and provides information to prison management and the New Zealand Parole Board (as at 1 July 2002). The service manages community-based sentences and orders including supervision, community work, parole, home detention, and release from prison on conditions. Additionally, CPS will be managing the remaining sentences of community service and periodic detention from the previous legislative regime. CPS also delivers rehabilitative programmes to offenders, as well as contracting with community providers for rehabilitative and reintegrative community-based programmes for offenders.

***The Psychological Service*** provides specialist clinical treatment and assessment advice for offenders, and training and education for departmental staff and community groups. The service also undertakes a number of approved research projects and is responsible for the integrity of assessments and programmes delivered within the Department.

It has Service Level Agreements in place for the provision of clinical services to the Community Probation Service and the Public Prisons Service. The Psychological Service also provides reports to courts and the New Zealand Parole Board.



DEPARTMENTAL  
STRUCTURE

## CORRECTIONS FACILITIES LOCATIONS

Public Prison Service

## Auckland Region

- A Auckland Prison
- A Mt Eden Prison
- A Mt Eden Women's Prison

## Waikato/Central Region

- B Ohura Prison
- C Tongariro/Rangipo Prison
- D Waikeria Prison

## Midland Region

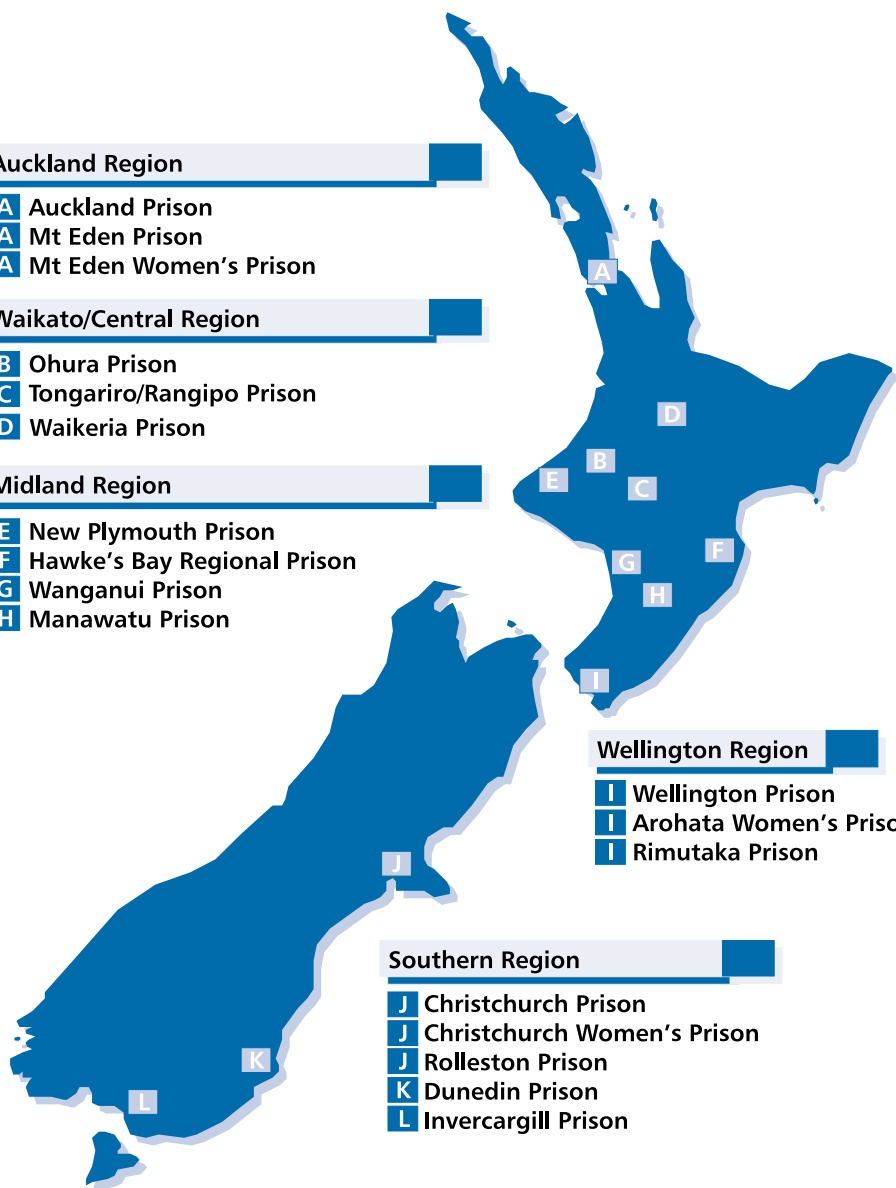
- E New Plymouth Prison
- F Hawke's Bay Regional Prison
- G Wanganui Prison
- H Manawatu Prison

## Wellington Region

- I Wellington Prison
- I Arohata Women's Prison
- I Rimutaka Prison

## Southern Region

- J Christchurch Prison
- J Christchurch Women's Prison
- J Rolleston Prison
- K Dunedin Prison
- L Invercargill Prison



Community Probation Service

Northern Region

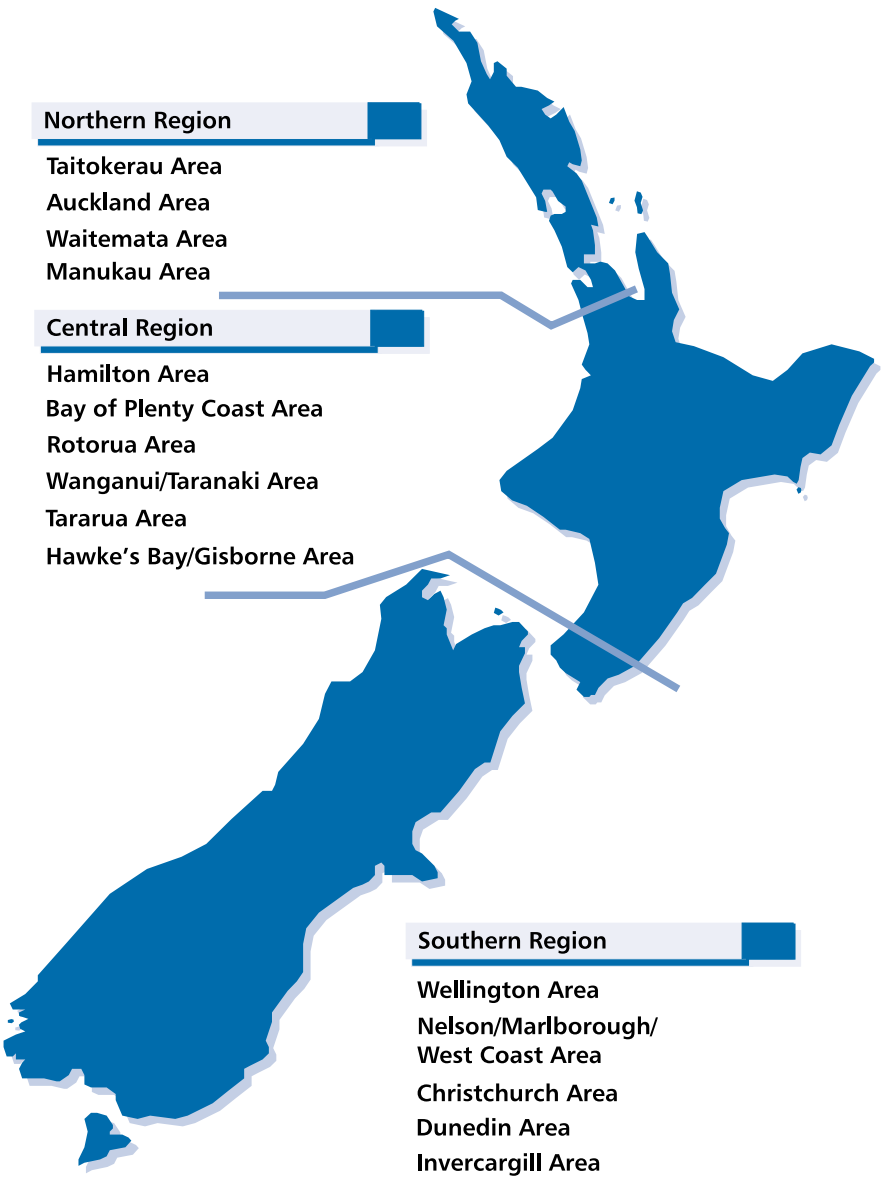
- Taitokerau Area
- Auckland Area
- Waitemata Area
- Manukau Area

Central Region

- Hamilton Area
- Bay of Plenty Coast Area
- Rotorua Area
- Wanganui/Taranaki Area
- Tararua Area
- Hawke's Bay/Gisborne Area

Southern Region

- Wellington Area
- Nelson/Marlborough/  
West Coast Area
- Christchurch Area
- Dunedin Area
- Invercargill Area



**Psychological Service****Northern Region**

Auckland Office  
Te Piriti Special Treatment Unit  
(Auckland Prison)  
Hamilton Office  
Palmerston North Office  
Rotorua Office  
Hawke's Bay Office

**Southern Region**

Wellington Office  
Violence Prevention Unit  
(Rimutaka Prison)  
Christchurch Office  
Kia Marama Special  
Treatment Unit (Rolleston Prison)  
Dunedin Office

## Groups

**The Policy Development Group** provides policy advice, strategic and trend analysis, develops effective correctional policy, contributes to legislative reviews and coordinates policy with other government agencies. The group incorporates the Strategic Analysis Unit which provides analysis of forecasts and trends, manages the Department's research and evaluation work programme and calculates the Department's externally reported outcome measures; the Cultural Perspectives Unit which provides strategic and operational advice leading to improved outcomes for Māori and Pacific peoples; the Treaty Relationships Unit which assists managers throughout the Department to build and maintain strong and effective relationships with Māori; the Strategic and Legislative Policy Unit which provides advice and input on any legislative development impacting on the Department; and the Operational Policy Unit which is responsible for ongoing development of the Department's key operational business processes.

**The Service Purchase & Monitoring Group** is responsible for the purchase of corrections services from both internal and external providers. The group develops and provides national systems, service specifications and purchase advice in terms of volume and quality standards. It also monitors the delivery of services and works internationally with other corrections services to establish benchmarking standards used to assess performance and improve quality standards. The group also provides administrative support and training services for the New Zealand Parole Board.

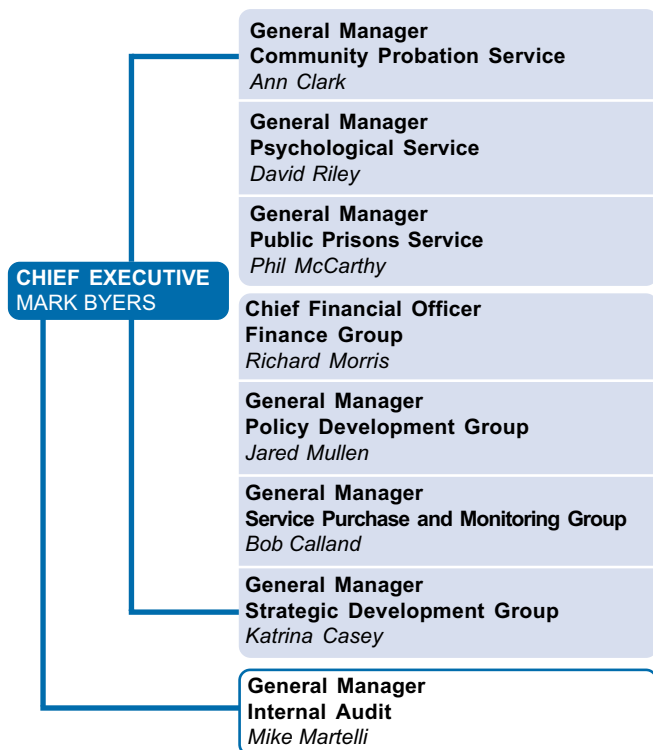
**The Strategic Development Group** provides specialist advice and services to help run the Department. The group incorporates Information Technology which is responsible for the development and ongoing maintenance of the Information Technology strategy and business critical applications; Strategic Human resources which is responsible for the development of the Department-wide human resource strategy,



policy and procedures; the Planning Unit which develops the Department's external accountability documentation and provides support services within head office; and the Communications Unit which is responsible for communications strategy, projects, publications and media management.

**The Finance Group** provides a range of financial and property advice and support services to the Department. The group incorporates Corrections Inmate Employment, which manages inmate employment in prisons throughout New Zealand. Inmates work and receive training under the supervision of corrections officers, in areas such as joinery, catering, farming and forestry. The Finance Group also includes the project team charged with the design and construction of four new prisons.

#### SENIOR MANAGEMENT STRUCTURE



**D**  
DEPARTMENTAL  
STRUCTURE

**Internal Audit** provides assurances to the Chief Executive on key statutory accountabilities and the operation of the Department's Risk Management Framework. It reviews the systems and procedures in the Department and provides advice to the Chief Executive. Internal Audit, through the Prison Inspectorate, also provides assurance to the Chief Executive on the fair, safe, secure and humane treatment of offenders as well as the maintenance of the integrity of sentences imposed by the courts.

## INTERAGENCY AGREEMENTS

Corrections has in place a number of agreements with other government departments and agencies which aim to assist the Department to achieve its goals of safe communities and reduce re-offending. Responsibilities to each other are clearly defined by entering into a mutual agreement. The purpose of the agreement is to create an environment of cooperation to facilitate a sharing of information to provide free-flowing access to the services each department and agency can provide.

The Department currently has in place inter-agency agreements with the following agencies:

- Department for Courts
- New Zealand Police
- Child, Youth and Family
- Ministry of Health
- Inland Revenue
- Accident Compensation Corporation
- Immigration Service
- Ministry of Housing and Housing New Zealand
- Career Services.



## INTERSECTORAL COMMITTEES

The Department is represented on a large number of local, regional and national intersectoral committees which have been established to effect one of the Government's key goals which is to "Reduce Inequalities in Health, Education, Employment and Housing". This goal was introduced to "reduce the inequalities that currently divide our society and offer a good future for all by strengthening the capacity of Māori and Pacific peoples' communities." The purpose of the intersectoral committees is to achieve this goal through cooperation and participation in the wider community.

Committees that the Department is represented on around the country include: Strengthening Families, Safer Communities Councils, Victim Support, Violence Prevention Network, Child Welfare Liaison, Restorative Justice Committee, Te Puni Kōkiri Inter-sectoral Committee, Regional Forensic Advisory Committee, Regional Inter-sectoral Fora, and the Pacific Island Capacity Building Project.





## TERMS AND DEFINITIONS

|                                 |   |
|---------------------------------|---|
| <b>Breakout escape</b>          | Escape from a secured prison area that breaches a physical barrier. This definition has been further refined to include: An escape where an inmate has breached security measures provided the inmate has physically left the area contained by the outermost perimeter fence, or if there is no such fence, prison buildings, police cell, vehicle or court complex or other place of custodial control, or from an officer escort anywhere. |
| <b>Community-based sentence</b> | A sentence of community service, community work, periodic detention, supervision, or community programme.   |
| <b>Community service</b>        | A sentence where an offender must work for a stipulated number of unpaid hours for the community.   |
| <b>Criminogenic needs</b>       | Features of an offender's personality, lifestyle and social circumstances that have been linked with re-offence risk.   |
| <b>Criminogenic programmes</b>  | Programmes that address offenders' criminogenic needs. By addressing these, offenders are less likely to re-offend.   |
| <b>EFS</b>                      | Economic Farm Surplus   |
| <b>Final release date</b>       | The date on which an offender serving a determinate sentence must be released. Subject to any liability to be recalled, an offender cannot be detained in a penal institution beyond this date.   |
| <b>Home detention</b>           | An offender released from prison to serve   |

their term of imprisonment by way of detention in an approved residence, subject to electronic monitoring. This may include rehabilitative or other programmes.

**Habilitation centre** An approved residential centre that operates programmes for offenders designed to identify and address the cause or causes of, or factors contributing to, their offending.

**Indeterminate sentence** One that does not have a sentence expiry date, ie, currently, life sentences and preventative detention.

**IDU** Identified drug user

**Integrated Offender Management (IOM)** A coordinated, consistent approach to managing offenders across their sentence. It targets programmes and interventions for offenders most at risk of re-offending, to address the factors that are linked to their offending.

**Integrated Offender Management System (IOMS)** Integrated Offender Management System is the Department's computer system that integrates the management of offenders. Information on individual offenders can be centrally accessed, with no duplication or re-entering of data.

**New Zealand Parole Board** The New Zealand Parole Board, established under the Parole Act 2002, determines the release of offenders on parole when the offender is serving a prison term of more than two years. The Board also considers applications for home detention from offenders who are sentenced to a term of imprisonment of less than two years.

**Parole** An offender is released by the New



Zealand Parole Board from a term of imprisonment and is subject to standard conditions of monitoring by a Probation Officer and may be subject to special conditions of a reintegrative or rehabilitative type.

|                                   |  |
|-----------------------------------|--|
| <b>Parole eligibility date</b>    | The date from which the offender can apply to the NZ Parole Board for release on parole.   |
| <b>Preventive detention</b>       | An indefinite term of at least five years that may be imposed when an offender is convicted for certain sexual or violent offences. The offender must be 18 years of age or over at the time of committing the offence.  |
| <b>Release date</b>               | The actual date that an offender is released from a penal institution.   |
| <b>Remand time</b>                | The number of days spent on remand in custody before sentencing. These are subtracted from the time to be served.  |
| <b>Sentence commencement date</b> | The date the sentence is imposed.  |
| <b>Serious violent offence</b>    | Serious violent offences are defined by section 2 of the Criminal Justice Act 1985 as: manslaughter, attempted murder, unlawful sexual connection, sexual violation, aggravated robbery, robbery and injuring and wounding offences in respect of which a sentence of more than two years was imposed. |
| <b>Supervision</b>                | A community-based sentence requiring   |



TERMS AND  
DEFINITIONS

regular reporting to a Probation Officer, and may include attendance at an appropriate programme dealing with the cause of offending.

**Strategic  
Business Plan**

A document that outlines the Department's strategic direction. The current suite of Strategic Business Plans set the direction of the Department through to 30 June 2003.







