

# STATEMENT OF INTENT

1 JULY 2007 - 30 JUNE 2008



**DEPARTMENT  
OF CORRECTIONS**

ARA POUTAMA AOTEAROA

# STATEMENT OF INTENT

1 JULY 2007 - 30 JUNE 2008



## VISION

TO FOCUS ON OUR PRIMARY OUTCOME OF  
**SAFER COMMUNITIES BY PROTECTING THE  
PUBLIC AND REDUCING RE-OFFENDING  
THROUGH PEOPLE - PERFORMANCE - QUALITY**  
AND AS A RESULT HAVE THE NEW ZEALAND  
PUBLIC'S TRUST AND CONFIDENCE.

## KAUPAPA

KOTAHI ANO TE KAUPAPA: KO TE ORANGA O TE IWI

THERE IS ONLY ONE PURPOSE (TO OUR WORK): IT IS THE WELLNESS AND WELLBEING OF THE PEOPLE.

**STATEMENT OF INTENT**  
1 JULY 2007 - 30 JUNE 2008



**DEPARTMENT  
OF CORRECTIONS**

ARA POUTAMA AOTEAROA



## INTRODUCTION

The Statement of Intent informs Parliament and the public about the Department of Corrections and its role in achieving the wider justice sector outcome of a safe and just society.

Part A describes what Corrections does, what it aims to achieve over the next three years, the strategic challenges it faces, and the capability it has to do its work.

Part B explains how much the Department's work costs. It contains Corrections' forecast financial statements prepared in accordance with the Public Finance Act 1989.

Part C lists the measures Corrections will use to ensure it is doing its work well. Included in these statements are detailed descriptions of the outputs that it will deliver during 2007/08 and the performance measures and standards associated with these outputs.

❖	INTRODUCTION	4
❖	MINISTER'S FOREWORD	6
❖	CHIEF EXECUTIVE'S OVERVIEW	8
	<b>PART A - STRATEGIC DIRECTION</b>	
❖	WHAT CORRECTIONS DOES	12
❖	STRATEGIC CHALLENGES AND RISKS FACING CORRECTIONS	18
❖	CORRECTIONS' CONTRIBUTION TO OUTCOMES	22
❖	BUILDING CORRECTIONS' CAPABILITY	32
	<b>PART B - FORECAST FINANCIAL STATEMENTS</b>	
❖	STATEMENT OF RESPONSIBILITY	40
❖	FINANCIAL SUMMARY	41
❖	SUPPORTING STATEMENTS	42
❖	STATEMENT OF ACCOUNTING POLICIES	52
	<b>PART C - STATEMENT OF FORECAST SERVICE PERFORMANCE</b>	62

## MINISTER'S FOREWORD

As part of the New Zealand justice sector, Corrections has an important role in contributing to safer communities by protecting the public and reducing re-offending. We must manage offenders safely, securely and humanely. We also have a duty to give offenders opportunities to turn their lives around and reintegrate successfully into society.



Over the next year, Corrections' staff will manage over 65,000 offenders, many of whom will be dangerous and difficult to deal with. The Department must strive to continuously improve its performance as offender numbers grow.

The next few years will present a number of challenges for the Department. A projected growth in the number of offenders, heightened public interest in justice sector issues and the introduction of the Effective Interventions package of initiatives will all place capacity and performance pressures on Corrections.

I have set out the following priorities for the Department to meet these strategic challenges:

### **Implementing measures to strengthen community based sentences.**

Corrections must prepare for the new community-based sentences that will be available once the Criminal Justice Reform Bill has been passed. The new sentencing structure will mean greater responsibility for Corrections as it will manage more offenders serving community-based sentences.

### **Continuing the focus on improving rehabilitation and reintegration of offenders.**

Corrections will continue to develop and implement improved rehabilitation and motivational programmes to help offenders make the changes required to lead a crime-free lifestyle.

Corrections will also continue to implement the Prisoner Employment Strategy, which aims to provide more prisoners with employment-related activity and training to assist them to find work when released.

Two new Drug Treatment Units will be opened at the Hawke's Bay Prison and at the Spring Hill Corrections Facility. These units help prisoners to address drug and alcohol problems which have contributed to their offending.

### **Improving the management of high-risk or high-need offenders.**

Corrections will improve the management of high-risk and high-need offenders, both in custody and when managed in the community. Corrections will look at ways of improving information processes that will help us and other justice sector agencies to manage high risk offenders in the community. In prison, a number of specific programmes targeting very high-risk offenders will be introduced.

### **Implementing the findings of recent reviews into prisoner transport.**

This will help ensure that all prisoners are transported in a secure way that protects the safety of the public, staff and prisoners.

### **Improving the rights of victims of crime.**

Corrections will work with other agencies from across the justice sector to identify ways of increasing the participation of victims in the justice sector.

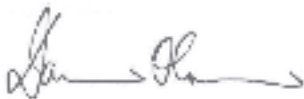
**Building the capacity of the Corrections system.**

The number of offenders that the Department will be required to manage is projected to grow over the next 10 years. This will put a strain on the current capacity of the Department, both in terms of the facilities and the staff it has to manage offenders. Recruitment of new staff to manage the growing offender population will continue and two new prisons will be opened and commissioned – the Otago and Spring Hill Corrections Facilities. The Department will also expand capacity at existing prisons.

**Improving the Department's capability to effectively contribute to its outcomes.**

Corrections will implement the findings of the Head Office Review that it conducted in 2006/07, and will complete a review of Prison Services. It will work closely with other agencies in the justice sector, the public sector and with the community to address key issues facing the New Zealand justice system.

In terms of my responsibility under section 39 of the Public Finance Act 1989 to present and make public information on the Department's future operating intentions, I certify that the information in this *Statement of Intent* is consistent with the policies and performance expectations for the Government.



Hon. Damien O'Connor  
Minister of Corrections

## CHIEF EXECUTIVE'S OVERVIEW

Over the forthcoming year, Corrections will continue to deliver its services in a way which contributes to its overarching strategic outcomes of protecting the public and reducing re-offending.



The context is provided by the Families Young and Old transformational theme of Safer Communities and to this end Corrections continues to be an active participant in the wider Justice Sector, particularly in relation to the suite of Effective Interventions initiatives currently being introduced by Government.

Corrections expects to take responsibility for growing numbers of offenders and new community-based sentences. It will continue to recruit new staff and expand where necessary to ensure we can deliver effective services and contribute to a safe and just society.

A key component of our work will be the development of our *2008-13 Strategic Business Plan*. We are consulting widely with staff, partner agencies and the community to ensure this plan will enable us to move forward with focus and confidence.

The Minister of Corrections has outlined his priorities for the Department in his Foreword. These priorities have guided the development of various initiatives for this upcoming year, and will also guide the development of the *Strategic Business Plan*.

I am proud of the nearly 7000 staff who do a challenging job managing offenders securely and humanely and helping them to turn their lives around through rehabilitation and reintegration activities. We will be making changes to our organisational structure to emphasise integration across the Department and to ensure our operational services receive the level of support they need to more effectively manage offenders and contribute to reducing re-offending.

Offenders can and do turn their lives around through participation in the educational, work-related and rehabilitation programmes Corrections provides. We will continue to develop and improve these programmes, with a special emphasis on education, employment and drug and alcohol treatment.

Communities will continue to benefit directly from the work such as playground upgrades, walkway development and planting projects that offenders do under the supervision of our staff.

I look forward to leading the Department's contribution to the justice sector outcomes by focusing on the Minister's priorities and strengthening the Department through continual improvements in its performance.

Barry Matthews  
Chief Executive







PART A  
STRATEGIC  
DIRECTION



# DEPARTMENT OF CORRECTIONS

ARA POUTAMA AOTEAROA



## PART A STRATEGIC DIRECTION CONTENTS

➤	<b>WHAT CORRECTIONS DOES</b>	<b>12</b>
	- How Corrections Manages Offenders	13
➤	<b>STRATEGIC CHALLENGES AND RISKS FACING CORRECTIONS</b>	<b>18</b>
➤	<b>CORRECTIONS' CONTRIBUTION TO OUTCOMES</b>	<b>22</b>
	- Outcome: Sentences and order complied with	24
	- Outcome: offenders are managed safely and humanely	26
	- Outcome: re-offending is reduced	27
	- Outcome: sentence options are used effectively	30
	- Outcome: victims of crime are supported	31
➤	<b>BUILDING CORRECTIONS' CAPABILITY</b>	<b>32</b>

## WHAT CORRECTIONS DOES

The Department of Corrections administers the New Zealand corrections system to improve public safety and contribute to the maintenance of a just society.

The Department's vision is:

To focus on our primary outcome of **safer communities** by **protecting the public** and **reducing re-offending** through **people-performance-quality** and as a result have the New Zealand public's trust and confidence.

Corrections kaupapa is:

Kotahi ano te kaupapa: ko te ora ngā o te iwi.

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

The Department's work contributes to the following five departmental outcomes:

- Sentences and orders are complied with.
- Offenders are managed safely and humanely.
- Re-offending is reduced.
- Sentence options are used effectively.
- Victims of crime are supported.

Details of the work Corrections does to contribute to these departmental outcomes is outlined in pages 22 to 31.

Corrections:

- manages offenders on community-based sentences and orders
- manages accused offenders on remand and offenders sentenced to custodial sentences in prisons across New Zealand
- provides rehabilitation programmes to help offenders to address and resolve the causes of their offending
- provides reintegrative programmes and services to help offenders reintegrate back into society, including providing opportunities to gain education and employment skills and experience
- manages a number of employment activities that provide offenders with the chance to gain employment

skills and experience in industries that may provide them with employment opportunities when they complete their sentence

- provides courts with information to help judges make sentencing decisions
- takes appropriate enforcement action when offenders serve a sentence or order in the community do not comply with the conditions of that sentence or order
- provides the New Zealand Parole Board with information and administrative services to help them decide whether offenders should be released, when and under what conditions
- notifies victims of crime, who are referred by the New Zealand Police, of specific events listed in the Victims Rights Act 2002.

The Corrections Act 2004 provides principles under which Corrections must operate. The Department must:

- make public safety paramount when managing offenders
- operate facilities in accordance with New Zealand legislation and other agreements, such as the United Nations Standard Minimum Rules for the Treatment of Offenders
- administer all sentences in a safe, secure, humane and effective manner
- ensure that offenders are treated fairly by providing them with information about the rules, obligations, and entitlements that affect them, and ensuring that decisions made about them are fair and reasonable and that they have access to an effective complaints procedure.

In addition, where appropriate and so far as is reasonable and practicable, Corrections must:

- assist offenders by providing them access to programmes and activities that may contribute to their rehabilitation and reintegration into the community
- take into account the cultural background, ethnic identity and language of offenders when developing and providing rehabilitative programmes and other interventions
- provide offenders with access to any process designed to promote restorative justice between offenders and victims
- encourage contact between offenders and their families, and involve families in decisions relating to the management of offenders, while maintaining safety and security requirements.

## HOW CORRECTIONS MANAGES OFFENDERS

Corrections works with people when they have been charged with an offence or offences and held on remand, or have been convicted of an offence or offences. Once convicted, offenders are managed using an integrated approach across all parts of Corrections.

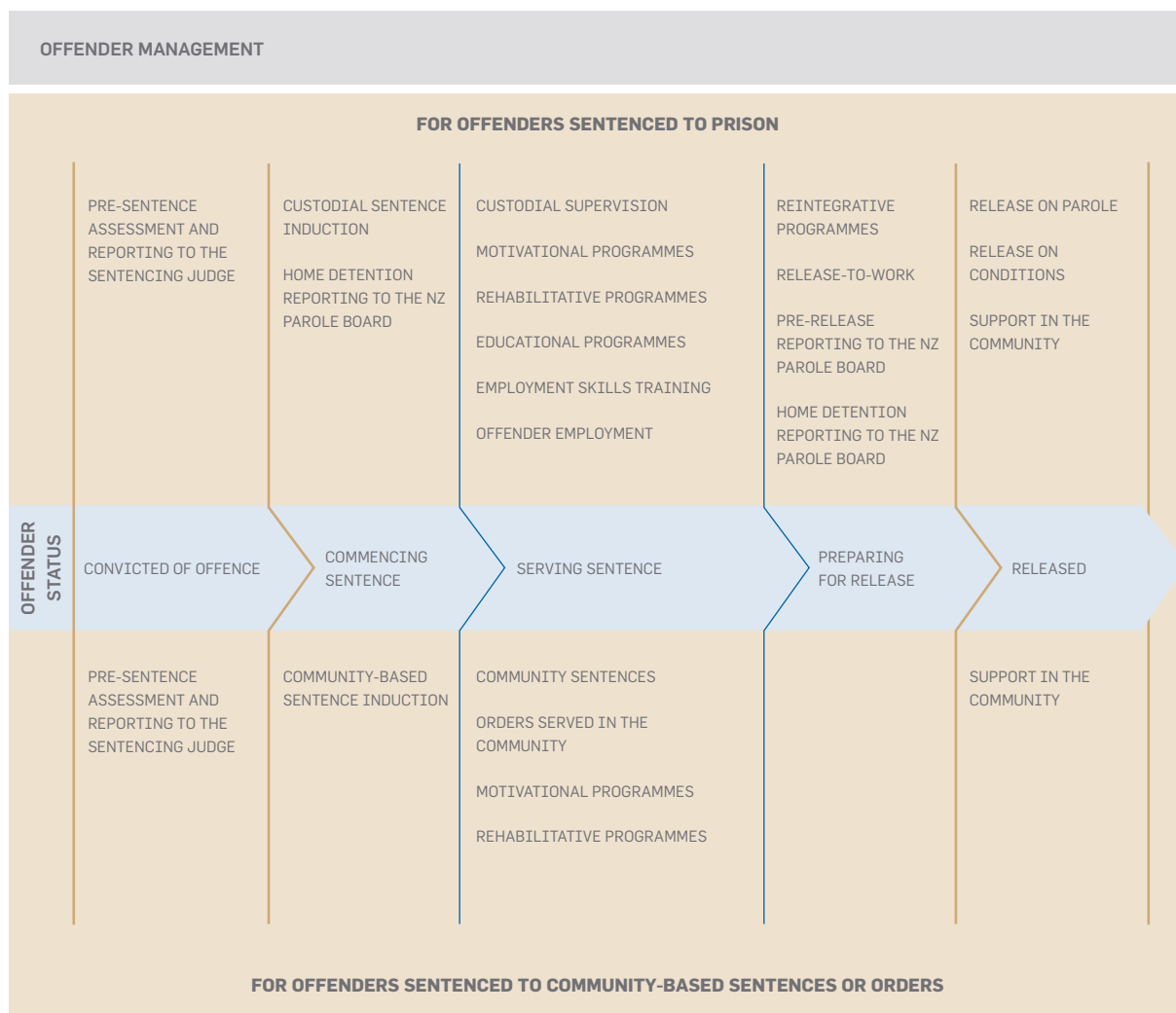
When an offender enters the corrections system, there are processes to guide what happens to them during their sentence and order. Where appropriate, established processes also guide the assessment of the offender's needs and the ways in which these are addressed.

Rehabilitation programmes are targeted to offenders most likely to benefit from the programmes. This means targeting those who are otherwise likely to re-offend and who have expressed a willingness to address the factors that led to their offending. Reintegration services are targeted at those leaving prison, to help ensure they have their basic needs met (accommodation, employment etc). Corrections also work with offenders who remain in the community to address similar needs, in order to reduce the risk of re-offending.

Serving any sentence or order is not a pleasant experience. All sentences and orders entail a range of restrictions and requirements which affect offenders' daily living. These include restrictions on their freedom,

the things that an offender may have in their possession, the requirement to conform to routines, and tight controls on contact with people from the community, including family members. A total restriction on the use of alcohol and other drugs is also one of the aspects of imprisonment and can be a condition of some community-based sentences and orders. Ensuring that offenders comply with the requirements of a sentence or order is important for the credibility of the justice system and the safe and secure management of offenders.





Proposed legislation to introduce changes to community sentences as set down in the Criminal Justice Reform Bill is currently before Parliament. These changes would see Home Detention, Community Detention and Intensive Supervision added to the community-based sentences, and Post-Detention Conditions added to community-based orders.

### Once an Offender is Convicted

When an offender has been convicted of an offence the Court will usually request a report from Corrections to help determine an appropriate sentence. This may be an oral report done on the same day to allow fast sentencing, or it may be an in-depth report that requires more time. This report may include a range of assessments depending on the severity of the offence. These can include an assessment of the offender's circumstances, factors contributing to the offence, the rehabilitative and

reintegrative needs of the offender, including alcohol and drug screening and other relevant factors.

The judge will then sentence the offender to either a custodial or non-custodial sentence. A custodial sentence is served in prison or on Home Detention, parole or Release on Conditions. Under the proposed legislative changes, front-end Home Detention will be replaced with Home Detention as a sentence, back-end Home Detention will be abolished, and Residential Restrictions will be available as a special condition of parole. A non-custodial sentence or order is served in the community and includes Supervision, Extended Supervision and Community Work orders.

An offender can apply for Home Detention when sentenced to prison. A Probation Officer prepares a report for the New Zealand Parole Board on whether the offender is suitable for Home Detention.

### **Serving a Community-based Sentence**

Prior to sentencing, Probation Officers assess what the causes of the offending were, the offender's motivation to change and the offender's risk of re-offending or non-compliance with the sentence. This assessment is used to determine how to manage an offender during their sentence.

An offender may be sentenced to Supervision for a period between six months and two years, during which they will be required to address the causes of their criminal behaviour under the supervision of a Probation Officer. An offender may also be required to pay a fine, pay reparation, or do Community Work. Offenders may be subject to more than one sentence or order if the judge has imposed a concurrent sentence, e.g. an offender sentenced to Supervision may also be ordered to undertake Community Work during that period.

Under the proposed legislative changes to strengthen community-based sentences, Intensive Supervision would be a new sentence imposed for any period from six months to two years. In contrast to Supervision, Intensive Supervision would provide a higher level of restriction and supervision of an offender, and have a larger, more complex set of special conditions than those currently available under Supervision. Offenders on Intensive Supervision may be required to attend residential programmes as a special condition of their sentence, and Judicial Monitoring may be imposed.

Child-sex offenders who pose a high risk may be sentenced to Extended Supervision for up to ten years after their release from prison. An offender given an Extended Sentence will be supervised by a Probation Officer.

An offender sentenced to Community Work does between 40 and 400 hours of unpaid work for a non-profit organisation or community project. While doing Community Work, the offender is supervised by a Community Work Supervisor. Under the proposed legislative changes, a portion of Community Work hours may be converted to basic work and living skills training.

When the court has allowed an offender to serve a prison sentence on Home Detention, the offender is supervised by a Probation Officer. In addition, they have to wear an electronic anklet that is used to confirm that they stay within a pre-set boundary (around their residence).

This does not allow them to be tracked once they leave, however GPS technology, which may allow offender movements to be tracked, is currently being trialled in New Zealand. Under the draft Criminal Justice Reform Bill, it is proposed that Home Detention become a stand-alone sentence imposed by the courts, with Residential Restrictions as a special condition for offenders released from prison on parole.

Under the proposed legislative changes, a new sentence of Community Detention may also be established. This could be a new electronically-monitored sentence that would restrict an offender to an address under curfew.

An offender sentenced to a community-based sentence may be required to attend motivational and rehabilitative programmes. In addition to the programmes provided by Corrections, an offender can attend programmes provided for the Department by non-government organisations such as sex offender treatment programmes, domestic violence programmes and alcohol and drug programmes. Alcohol and drug programmes may be residential or non-residential, with most non-residential programmes provided by District Health Boards.

Community Residential Centres provide a residential programme in a community-based reintegrative and structured environment. The objective is to resettle offenders back into the community by offering intensive rehabilitation programmes and reintegrative services that aim to reduce the likelihood of further offending.

### **Serving a Prison Sentence**

An offender who has been sentenced to prison is assessed and assigned a security classification. This is based on the risks they pose, both inside and outside a prison, so they can be managed accordingly. The prisoner is then inducted into prison life, prison rules and procedures. This includes an assessment of their health and risk of self-harm.

Sentence Planners assess the prisoner's needs and assign a sentence category at the start of a prison sentence. Prisoners who are higher-risk and have some motivation towards addressing their behaviour will be the main focus of Corrections' rehabilitation programmes. Lower risk prisoners are encouraged to address their employment, education, reintegration and general living needs. Programmes are expensive – therefore, care is

taken to place only those who will benefit most into the programmes on offer.

Prisoners have access to motivational, rehabilitative, reintegrative and educational programmes, as well as work training and employment. Motivational programmes are designed to encourage prisoners to address the problems that led to their offending. Rehabilitative programmes help motivated prisoners examine the causes behind their offending and learn positive alternatives to their criminal behaviour. Reintegrative programmes prepare a prisoner for release back into the community. Educational activities aim to increase prisoners' literacy, numeracy and secondary education levels. Rehabilitative and reintegrative programmes can be delivered in a group environment or within a live-in treatment unit. Corrections has a number of different treatment units, including Māori Focus Units, a Pacific Focus Unit, a Faith-based Unit, Alcohol and Drug Treatment Units, a Violence Prevention Unit, Reintegration Units and Special Treatment Units for men who have sexually offended against children or young persons.

Prisoners under the age of 18 and 18 - 19 year old prisoners who have been assessed as vulnerable, reside in Young Offender Units separate from the rest of the prison population in compliance with the United Nations

Convention on the Rights of the Child. The Young Offender Units also meet the Corrections' responsibilities under the Education Act 1989 which require all under-16 year olds to be involved in full-time education. Young Offender Unit prisoners average 30 hours of rehabilitative programmes, vocational training and education each week.

Self-care Units accommodate prisoners who are preparing for release. Self-care Units also cater for prisoner mothers with babies. These units provide an environment similar to life outside prison, although with continued custodial supervision and restrictions.

Corrections operates a number of industries for prisoners to work in a realistic work environment. Employment and employment training increases the skill level of prisoners and prepares them for eventual release. Depending on their behaviour, and the risks they pose, prisoners may also be released to work outside prison during the day. After work they return to prison. Part of the wages prisoners earn in outside work is returned to prisons to help offset custodial costs.

### Preparing for Release from Prison

When preparing a prisoner for release, Sentence Planners assess the prisoner's reintegrative needs. This may include supporting the prisoner to develop in areas such



### CASE STUDY - BUILDING WORK SKILLS AND SELF-ESTEEM

Auckland prisoners are securing jobs in the construction industry as a result of training in pre-cast concrete manufacturing at Auckland Prison.

There is a strong demand for skilled construction workers in the marketplace. The pre-cast yard provides employment and training for up to 60 prisoners per day. At least 45 of these prisoners have found paid employment after their release from Auckland Prison.

Prisoners are studying NZQA Unit Standards in concrete placing, steel fixing, plastering and heavy machinery operating. Pre-cast panels have been produced for Northland Regional Corrections Facility and Auckland Region Women's Corrections Facility, both now fully operational. Wall and ceiling panels were also produced for the new Spring Hill Corrections Facility.

Apart from teaching the prisoners specific skills, these courses build their confidence and self-esteem, which also plays a key role in their ability to find and keep jobs.



as domestic skills, parenting skills and managing interpersonal relationships. The prisoner may also be placed in a Reintegration Unit or a Self-care Unit designed to simulate life outside of prison.

Currently, a prisoner can apply to the New Zealand Parole Board for Home Detention three months before their parole eligibility date. However this option would cease from October 2007 with the implementation of proposed legislative changes.

When a prisoner becomes eligible for parole, Corrections will prepare a parole assessment report to the Parole Board. The report will describe how the prisoner responded to programmes and other interventions in prison, their behaviour, the risk of the offender re-offending and the offender's ongoing needs. Special conditions may also be proposed for the offender's release.

### **Release from Prison**

The Parole Board is an independent entity comprising twenty judges and seventeen non-judicial members. It is separate from Corrections, Police, and the Courts.

The New Zealand Parole Board currently makes decisions on applications for parole and Home Detention from prisoners. Under proposed legislative changes, from October 2007 the Parole Board would no longer have a role in Home Detention sentencing.

A Probation Officer will prepare a report for the Parole Board to help them make appropriate decisions. The Parole Board sets the conditions for offenders when they are released and can recall offenders to prison if these conditions are not met.

An offender who has been released on parole or on conditions is required to report regularly to a Probation Officer. They will work with the offender to help ensure they meet the conditions of their release, have appropriate support networks to minimise the likelihood of re-offending, and build on the positive changes made in prison.

If the offender does not meet the conditions of their parole, the Probation Officer can apply to the Parole Board to have the offender recalled to prison. If the offender does not satisfy their Release on Conditions requirements the Probation Officer takes enforcement action.



For Corrections to be effective it must be strategically focused. It must continuously monitor and adapt to changes in its operating environment by taking advantage of opportunities and mitigating risks as they arise. By doing this, Corrections can ensure that it is working in ways that most effectively achieves its outcomes.

Corrections identifies strategic challenges by analysing the environment in which it operates. This includes monitoring demographic projections, international and national trends, and gauging public and political perceptions.

Corrections also uses a formal risk management framework to identify and proactively mitigate risks. This framework is based on the Australian/New Zealand AS/NZ 4360:2004 Risk Management standard. The Risk Management Framework is overseen by an Assurance Board of seven members, including the Chief Executive and four external members who are independent of management. The Chairperson of the Assurance Board is an independent member. Corrections also operates a number of separate control mechanisms, including the Internal Audit and Prison Inspectorate functions, that review processes within the operational services and coordinate the internal control framework.

Corrections currently faces the following key challenges which it will address over the medium term through targeted initiatives and by developing its capability.

#### **Strengthening and Increasing Community-based Sentences**

Effective Interventions is a package of initiatives proposed for implementation across the justice sector to reduce crime and address the reasons for offending behaviour. The elements of the Effective Intervention package which are most related to Corrections are the addition of new community-based sentences, and the focus on cross-government work to address the needs of offenders with mental health and/or alcohol and drug issues.

Implementing the legislative changes to community-based sentences requires significant changes to current systems and resources to manage an increased number of community-based offenders.

#### **Effective Rehabilitation and Reintegration of Offenders**

Corrections is an international leader in delivering some effective rehabilitative programmes. It possesses a highly developed methodology to measure the impact of programme participation on re-offending rates to help Corrections design and target programmes to maximise their effectiveness.

Corrections provides rehabilitative treatment for offenders in prison and in the community, and advice to courts and the New Zealand Parole Board. In addition to externally provided programmes, the Department provides a number of programmes for offenders in prison and on community-based sentences and orders designed to address the reasons why offenders commit crime.

In addition to these internal programmes, Corrections provides funding to community providers for the provision of programmes for offenders on community-based sentences or orders to focus on addressing their offending behaviour. These programmes focus on a range of issues such as domestic violence and sex offending.

Effective Interventions has significantly increased funding for Drug Treatment Units, 300-hour Special Treatment Units and community-funded programmes for offenders serving community-based sentences or orders.

The Prisoner Employment Strategy being implemented by Corrections will boost the number of offenders who are provided with work experience, skills and qualifications. This will help more offenders to find work when they leave prison, reducing their likelihood of re-offending.

Providing structured activities for prisoners keeps them occupied and increases the opportunity for positive interaction. Prisoners currently have the ability to access activities including programmes, education and employment, but the challenge is to increase the productive activity in each day.

Factors outside of Corrections' direct control also influence re-offending. Other factors include employment and educational skills provided to offenders while serving a sentence, health issues facing offenders and the provision

of community support. Corrections is working with other departments and organisations to address these issues.

Community support helps offenders to lead a non-offending lifestyle, especially for offenders released after serving long sentences or with a high risk of re-offending. Further, rehabilitation efforts need to be well-integrated with reintegration services to fully address the offender's areas of risk once released.

### Addiction Services

An individual's family, work and other important relationships can be severely disrupted by unmanaged addiction issues, as can a sufferer's health and general well-being. For these reasons, untreated addictions represent a significant threat to an offender's ability to



## CASE STUDY - ACCOMMODATING AN INCREASING PRISON POPULATION

The Department established the Regional Prisons Development Programme in 1997 to construct four new corrections facilities to accommodate an increasing prison population, as part of its overall effort to keep communities safer and reduce re-offending.

The new facilities incorporate design and features that are intended to be most effective in terms of safety, security and prisoner rehabilitation. They have been built in locations allowing prisoners to serve their sentence close to family, whanau and other support networks. These support networks play a critical role in supporting prisoners' rehabilitation and reintegration into the community. To date three of the four planned new facilities have opened and two are operating with a normal capacity of prisoners.

**Northland Region Corrections Facility**, a 350-bed facility for male prisoners was officially opened in March 2005 and reached normal prisoner capacity in October 2005.

**Auckland Region Women's Corrections Facility**, a 286-bed facility purpose-built for women prisoners, was officially opened in June 2006 and received its first prisoners in August 2006.

**Otago Corrections Facility**, a 335-bed facility for male prisoners was officially opened in May 2007, received its first prisoners in June 2007 and will reach normal prisoner capacity in November 2007.

Over the next year, the fourth and largest of the new facilities will be completed. **Spring Hill Corrections Facility**, a 650-bed facility for male prisoners located in North Waikato, will receive its first prisoners in November 2007 and reach normal prisoner capacity in June 2008.

successfully reintegrate back into their community and live constructive and crime-free lives.

Studies have shown that the majority of people coming into prison have histories of substance abuse. Corrections provides programmes for offenders with addiction issues when those addictions have contributed to offenders' past criminal offending. Corrections also works with health agencies to enable them to provide offenders who have addiction issues with access to addiction services.

Corrections and health sector agencies are working together to design and implement new screening and referral processes to identify offenders with potential gambling, alcohol and/or other drugs issues and to refer these cases to addiction service providers for further assessment and/or treatment.

In terms of addiction treatment options, Corrections is expanding the number of prison-based Drug Treatment Units and is working with the health sector to increase the availability of addiction programmes for custodial and community-based offenders.

### **Managing Capacity**

New Zealand's population has increased steadily in the last decade, and it is projected to rise from 4.1 million as at 31 March 2006 to 4.5 million by 2021. The highest rates of growth is likely to be among the Māori, Pacific and Asian peoples.

The number of offenders Corrections manages has increased substantially in recent years – an increase that is forecast to continue into the future at a rate of growth above that of the general population. This has put a strain on its facilities and the number of staff available to manage offenders.

To alleviate this, Corrections is building new prisons, expanding existing prisons and recruiting new staff to accommodate the growing prison population. The proposed legislation to strengthen community-based sentences will provide the judiciary with a broader range of sentencing options as alternatives to prison sentences. Corrections is also continuing to implement and develop programmes targeting those groups who are over-represented in prison to reduce re-offending as much as possible.

Corrections has recruited many staff over the past year to manage the growth in offenders. This means over 50% of frontline staff have less than five years' experience, emphasising the importance of staff development to equip new staff with the capability to do a good job.

### **Public Trust and Confidence**

In recent times, Corrections has been under significant public scrutiny, particularly in relation to offender transportation, management of parolees, and allegations of prison staff corruption.

The nature of the Corrections' work means that even one failure in its systems and processes can have significant consequences. Corrections is therefore under constant pressure to manage its business to extremely high quality levels.

People have a right to know of events and issues when the corrections system does not work as well as it should. However, it is an unfortunate fact that often Corrections' successes do not receive the same level of external recognition.

Corrections must ensure that, as much as possible, people can accurately judge Corrections' true performance – both when it does well and not so well.

### **Sustainable Development**

Sustainable development is about actions that maintain and mutually reinforce economic, environmental, cultural and social conditions.

The Department supports the Government's goal to build a sustainable nation and will focus on the Government's priorities of:

- moving the public service towards carbon neutrality
- using government purchasing power to help drive innovation, cleaner production, and improved cost effectiveness over the whole life-cycle of goods and services
- improving waste management.

Delivery of Corrections' core services contributes primarily to social and cultural sustainability. Examples include the rehabilitation programmes for offenders, units that focus on specific cultural needs and initiatives that build staff capability. In order to progress its overall

contribution to sustainability, Corrections will focus specific initiatives on addressing environmental and economic sustainability.

Corrections will align its sustainability activity to the goals of the Govt3 programme. This programme focuses on the four main areas where government impacts on the environment; waste, building, transport and procurement.

Corrections has developed a Sustainability Action Plan as part of its involvement in the Govt3 programme. This Plan includes an audit and review of the efficiency and sustainability of the Department's vehicle fleet. Corrections will also revise its Energy Plan to continue the success we have had to date in achieving energy savings and reducing overall emissions. The Sustainability Action Plan will also address issues such as procurement, waste management, and recycling across the Department.

This Plan will include detailed performance standards and measures to monitor progress against sustainability initiatives and general sustainability performance.

### **Influenza Pandemic**

An influenza pandemic would have a significant impact on Corrections, both for offenders and staff. In the event of a pandemic, minimising contact between offenders to prevent the spread of influenza whilst ensuring the safety of the public and the humane treatment of offenders would present a number of difficult challenges. Corrections would also need to ensure it has enough staff to safely and securely manage prisons, and monitor high-risk offenders in the community.

Corrections has a resourced plan to effectively manage through an influenza pandemic. It is also an active participant in cross-government sector pandemic planning activity.

## CORRECTIONS' CONTRIBUTION TO OUTCOMES

The Department's work contributes to achieving outcomes that benefit society. By contributing to these outcomes, Corrections plays an important role in the justice sector, and will be able to deliver on its vision of safer communities through protecting the public and reducing re-offending.

Corrections has recently been reviewing the outcomes that it contributes to. The outcomes Corrections contributes to are:

- Sentences and orders are complied with.
- Offenders are managed safely and humanely.
- Re-offending is reduced.
- Sentence options are used effectively.
- Victims of crime are supported.

These outcomes link to wider justice sector outcomes. An overview of the justice sector can be found on the Ministry of Justice website - [www.justice.govt.nz](http://www.justice.govt.nz).

2007/08 is the final year of the Strategic Business Plan for 2003 to 2008. The current plan sets out the high level direction for the organisation which focused on the outcomes of 'Protecting the Public' and 'Reducing Re-offending'.

Corrections will develop a Strategic Business Plan over the next year to cover the five years from 2008 to 2013. The Strategic Business Plan will confirm that these are the outcomes that Corrections contributes to, and it will outline strategies that it will implement to achieve these outcomes.

The following sections outline the work Corrections will do, who it will work with, and how it will measure progress against each of its outcomes.

Corrections has indicators for each outcome that measure the impacts that result from the work that it does. Corrections will review its indicators and performance measures as its understanding of the relationships between outcomes and the work it does increases.

### Demonstrating Cost-effectiveness

Recently, there has been a stronger focus in the public sector to demonstrate the cost-effectiveness of the

services departments deliver. Demonstrating cost-effectiveness is about assessing the costs of the key services delivered against the value those services add and the impact they have on society.

Whilst the Department has a very strong focus in the cost-effectiveness area, it will work to further develop its capability over the next year. Corrections will further develop both the cost-effectiveness indicators and the analysis around these to ensure these are the best indicators for demonstrating cost-effectiveness.

Cost-effectiveness indicators that the Department currently monitors include:

- Cost per prisoner per day.
- Staff to prisoner ratio.
- Staff to community-based offender ratio.

Corrections has been actively involved in benchmarking its performance with other countries for many years and has access to information that compares its performance across many of the services it delivers. Over the next year, Corrections will continue to work with other countries to bring more focus to the international benchmarking studies it is involved in and to compare the processes used to deliver key services. This work will provide the foundation for much of the cost-effectiveness analysis that Corrections will undertake in the future.

Corrections is also working to increase its capability in assessing options for delivering services by using tools such as modelling, cost-benefit analysis, and through the further development of the Outcomes Framework.

The following diagram outlines Corrections' outcomes framework. This framework will be confirmed over the next year as the Department develops its 2008-13

Strategic Business Plan. Following sections explain how Corrections' work contributes to these outcomes.

JUSTICE SECTOR END OUTCOMES	A SAFE AND JUST SOCIETY									
	SAFER COMMUNITIES							CIVIL AND DEMOCRATIC RIGHTS AND OBLIGATIONS ENJOYED		
JUSTICE SECTOR INTERMEDIATE OUTCOMES	IMPACT OF CRIME REDUCED		CRIME REDUCED			OFFENDERS HELD TO ACCOUNT		TRUSTED JUSTICE SYSTEM		
CORRECTIONS END OUTCOMES	VICTIMS OF CRIME ARE SUPPORTED	RE-OFFENDING IS REDUCED			SENTENCE OPTIONS ARE USED EFFECTIVELY	SENTENCE & ORDERS ARE COMPLIED WITH		OFFENDERS ARE MANAGED SAFELY AND HUMANELY		
CORRECTIONS INTERMEDIATE OUTCOMES	ELIGIBLE VICTIMS NOTIFIED	OFFENDERS ACQUIRE EMPLOYMENT- RELEVANT SKILLS AND QUALIFICATIONS	OFFENDERS' CRIMINOGENIC NEEDS ARE ADDRESSED	OFFENDERS' RE- INTEGRATIVE NEEDS ARE ADDRESSED	JUDICIARY, AND NZPB MAKE INFORMED DECISIONS	OFFENDERS COMPLETE THE CORRECT IMPOSED SENTENCE OR ORDER	OFFENDERS COMPLY WITH THE SPECIFIC RESTRICTIONS AND REQUIREMENTS OF THE CUSTODY REGIME, SENTENCE OR ORDER	OFFENDERS ARE NOT HARMED	OFFENDERS ARE TREATED FAIRLY	OFFENDERS' LEGITIMATE HEALTH, PHYSICAL, CULTURAL, SPIRITUAL AND SOCIAL NEEDS ARE MET

## OUTCOME: SENTENCES AND ORDERS ARE COMPLIED WITH

*Ensuring that an offender properly complies with the sentence or order imposed by a judge or the New Zealand Parole Board is fundamental to an effective justice system and offenders being held to account for their crimes.*

*Sentences and orders are complied with when an imposed sentence or order is served by the offender in the manner and extent intended by the legislation, the judiciary and the Parole Board. Sentenced offenders are not entitled to enjoy the freedom to determine whether, or to what extent, they will submit to the constraints and requirements of a sentence or order. Attempts to breach the requirements of the sentence or order must be dealt with effectively, appropriately and in a timely manner.*

A core purpose of Corrections is to implement and administer the sentences imposed by courts to ensure that 'sentence imposed is sentence served'. Sentences of

imprisonment are the most severe sanction of the courts. Corrections must ensure prisoners are confined and serve the specific term of imprisonment set by the sentencing judge. It is also very important that all offenders (both imprisoned offenders and offenders serving community-based sentences) do not serve a longer sentence than they are legally required to.

### Corrections' Outcomes Indicators

Indicators for this outcome include:

- escapes from custody
- general random drug screening test results by security classification.

Corrections will also be looking at other ways to measure its performance in terms of managing the issue of contraband.

Further information on the work Corrections is doing to increase its performance in this area through working with other agencies and specific initiatives is described on the next page.



### CASE STUDY - FLASH THE DRUG DOG

The Department's newest drug dog, Flash, and his handler will work at the Spring Hill Corrections Facility searching visitors, vehicles, the facilities and prisoners for drugs. They are part of the Department's expanded Drug Detection team, which in combination with increased surveillance, new scanning equipment and improved intelligence-gathering capabilities contributes to reducing drug use in prisons.

"From day one he's been brilliant to work with," says Flash's handler "He loves searching. To him it's a big game."

Flash was discovered at a pound in Rotorua by a Police Officer, who says that though Flash had suffered from mistreatment and neglect, he still had a "certain spark." Flash and his handler graduated from an intensive two-month training course at the Police Dog Training Centre at Trentham and will attend regular ongoing training sessions.

Anyone who enters prison, from delivery people to visiting families, can be searched. The dogs also search prisoners, their cells and other prison property.

The dogs are not only adept at finding drugs – they have been known to find cellphones too. "The dogs can smell if a prisoner has used drugs and then touched something like a cellphone. Their keen sense of smell means we sometimes find other contraband even if the drugs are gone," says one of the Department's dog handlers.



### How Corrections works with other Agencies

Corrections works with the New Zealand Police, the Ministry of Justice and the Department of Labour to ensure compliance with sentences and court orders.

Corrections' interaction with the New Zealand Police to deliver this outcome is broad-ranging. It includes the sharing of information on the management of sentences and orders, and cooperation in the management of sentences and orders served in the community. Corrections and the New Zealand Police take a coordinated approach to deterring crime in prisons.

The interaction between Corrections and the Ministry of Justice includes the exchange of sentencing information and supporting documentation, notification of hearings, Visiting Justice services to prisons and the delivery of bail documentation. Corrections also works with the New Zealand Immigration Service branch of the Department of Labour in ensuring compliance with revocation and deportation orders.

### Contributing Outputs

Corrections delivers services on a day-to-day basis grouped as output classes that contribute to its outcomes.

Output classes that contribute to this outcome include:

- Output Class 2: Community-based Sentences and Orders
- Output Class 3: Custody of Remand Prisoners
- Output Class 4: Escorts and Custodial Supervision
- Output Class 5: Custodial Services
- Output Class 8: Services to the New Zealand Parole Board.

During 2007/08 Corrections will be reviewing its output class structure in light of the revised outcomes framework, and will continue to investigate ways to improve its output performance measures.

### Initiatives that support this Outcome

Corrections will work on the following initiatives to improve its delivery in the area of compliance with sentences and orders:

- Complete planned activities to support the implementation of the new sentencing structure (also contributes to the effective use of sentence options).
- Progressively implement an Offender Placement

System across all prisons (also contributes to safe and humane offender management).

- Review the use of sentence planning and management and identify any changes required (also contributes to reducing re-offending).
- Continue to explore opportunities to incorporate new technologies for electronically monitoring offenders.
- Continue to implement systems for collecting and analysing data that contributes to increased crime prevention in prisons and prison security.
- Implement appropriate systems to detect cell phones in prisons.

## OUTCOME: OFFENDERS ARE MANAGED SAFELY AND HUMANELY

*When offenders are committed to the care and control of Corrections, it has a responsibility to ensure that those individuals are protected from avoidable harm, are afforded protection of their lawful rights, and (especially when unable to act independently because of imprisonment) their basic human needs are addressed.*

When people are held in custody (either as sentenced prisoners or remand prisoners prior to their trial), they are severely restricted in their ability to meet their own needs. The Department has an obligation to ensure that prisoners' legitimate needs are met. These needs include the basic necessities of life (food, shelter, clothing, etc) adequate health care, opportunities to maintain relationships with family and friends, access to spiritual support and activities, and access to a reasonable level of recreation and leisure.

Corrections has an obligation to ensure that prisoners are kept safe by preventing self-harm and harm that might be inflicted by other prisoners. Corrections must also ensure that offenders can raise legitimate grievances when they arise.

### Outcome Indicators

Indicators for this outcome include:

- Assaults.
- Unnatural deaths.
- Suicides.
- Justified complaints.

Further information on the work Corrections is doing to increase its performance in this area through working with other agencies and specific initiatives is described below.

### How Corrections works with other Agencies

Corrections and the New Zealand Police cooperate in managing the custody of offenders and providing offender escort services. The agencies also provide mutual assistance and support in times of civil emergencies (such as fires or earthquakes), hostage takings and riots.

Corrections has developed civil emergency procedures in association with the New Zealand Fire Department.

Corrections works with the Ministry of Social Development to ensure the safe and humane management of the custody of young offenders. In addition, it has been working with the Ministry of Youth Development to ensure prison policies and procedures regarding youth offenders complies with the United Nations Convention on the Rights of the Child.

Corrections works with the Ministry of Health to ensure that health services are made available to offenders at a level comparable to those available to the general population, and prisons have accessible and disability-aware environments. It is working collaboratively with the Ministry of Health on implementing a policy to reduce the incidence and impact of communicable diseases.

### Contributing Outputs

Output classes that contribute to achieving this outcome include:

- Output Class 3: Custody of Remand Prisoners
- Output Class 4: Escorts and Custodial Supervision
- Output Class 5: Custodial Services
- Output Class 7: Rehabilitative Programmes and Reintegrative Services
- Output Class 10: Service Purchase and Monitoring.

### Initiatives that support this Outcome

The following initiatives contribute to improving delivery in the area of offenders being managed safely and humanely:

- Progressively implement an Offender Placement System across all prisons (also contributes to compliance with sentences and orders).
- Continue implementing the Structured Day concept and rostering system.
- Develop a policy framework and operational approach to effectively manage disruptive and violent offenders.
- Review and implement a strategy for managing gang issues.
- Implement the recommendations from the Department's review of transportation of offenders and from the Ombudsman's independent review.

Corrections is pursuing a number of initiatives to improve the health of offenders:

- Identify the optimal level of health services required by offenders.
- Bring into service a new Health Unit and a new At Risk Unit at Hawke's Bay Prison.

## OUTCOME: RE-OFFENDING IS REDUCED

*A large proportion of sentenced offenders are reconvicted within five years of being released from prison or completing a community-based sentence. The Department is focused on reducing re-offending through rehabilitative services which target the characteristics of offending behaviour, and providing activities and programmes to help offenders reintegrate into society after completing their sentences.*

Corrections delivers a range of rehabilitative programmes and activities that target specific characteristics of offenders that are known causes of offending (criminogenic needs). Specific characteristics targeted include violence (including domestic violence), alcohol and drug use, criminal association, and others referred to as criminogenic needs. By reducing the strength of these characteristics, actual re-offending may be reduced.

Offenders who are usefully employed are less likely to commit crime. Many offenders, however, lack the educational qualifications and/or the occupational skills required to become employed. By assisting offenders to gain work skills and qualifications, Corrections helps increase the employability of offenders.

Lack of accommodation, unemployment, financial problems, and lack of social support are examples of common problems faced by offenders in the community. Enabling offenders to resolve these problems (reintegration support) – especially amongst released offenders – is important to reducing their risk of re-offending.

### Outcome Indicators

Evaluating the effect of the interventions Corrections provides to assist in reducing offending is strongly reliant on evaluation studies.

Corrections uses the Rehabilitation Quotient (RQ) methodology to measure differences in re-offending rates as a result of rehabilitation and reintegration interventions. As part of this evaluative work, possible additional areas that may be looked at include employment rates following completion of sentence and whether other reintegration needs were resolved.

Further information on the work Corrections is doing to increase its performance in this area through working with other agencies and specific initiatives is described below.

### How Corrections works with other Agencies

Corrections and the Ministry of Social Development collaborate in a number of areas with the goal of reducing re-offending. This includes cooperation in reporting and addressing child abuse, and liaison in the management of sexual and violent offenders.

Corrections, New Zealand Police, the Ministry of Social Development and Housing New Zealand are parties to the Agreement for Sharing Information on Child-Sex Offenders. This agreement facilitates inter-agency cooperation in monitoring child-sex offenders' compliance with release conditions, managing the risk posed by such offenders, and facilitating their safe reintegration into the community once released.

Corrections works with both the Ministry of Social Development and Career Services to facilitate offenders' reintegration back into society by supporting their transition into employment.

Corrections and the New Zealand Police cooperate on initiatives to address family violence, such as the Family Safety Team Project.

Corrections participates with a number of agencies on the Combined Law Agency Group that facilitates the sharing of information and resources between government agencies to combat organised crime in New Zealand.

Specific initiatives that Corrections is working on with other organisations include those with:

- Ministry of Justice and Police:
  - Tracking persistent or prolific offending.
  - Developing proposals for the expansion of judicial supervision of alcohol and drug treatment for offenders, including implications for Māori and Pacific peoples, and for female offenders.
- Ministry of Health:
  - Progressing and implementing the Addictions Services project.
  - Reviewing the availability of alcohol and drug treatment programmes for male and female

offenders in the community, and options to expand them.

- Progressing the implementation of any additional community-based alcohol and drug services following Budget 2008 decisions.
- Ministry of Social Development (MSD)
  - Using MSD programmes, tools and expertise to assess offender employment-related needs, identify Corrections' industry development, Release-to-work growth, and harmonisation of benefit and community sentence management.
- Local Government New Zealand:
  - Implementing the approved process for the management of released high-risk offenders arising from the recommendations of the joint working group with Local Government New Zealand.

### Contributing Outputs

Output classes that contribute to achieving this outcome include:

- Output Class 6: Prisoner Employment
- Output Class 7: Rehabilitative Programmes and Reintegrative Services.

### Initiatives that support this Outcome

Reducing re-offending remains a large area of development for Corrections. Consequently, a considerable number of initiatives will be undertaken or are under consideration aimed at improving delivery in this area. These include:

- Continue establishing two new special treatment units in prisons, the first to be operational from 1 July 2008 and the second from 1 July 2009.
- Continue establishing two new Drug Treatment Units at Rimutaka Prison and Spring Hill Corrections Facility.
- Review the use of sentence planning and management and identify any changes required (also contributes to compliance with sentences and orders).
- Implement a national plan to address the increase in demand for programmes, including domestic violence programmes, community-based sex offender treatment programmes and Tikanga Māori programmes.
- Continue to develop supported accommodation services which provide accommodation and

support to offenders with high-level reintegrative needs, and supporting offenders to find longer-term accommodation and integrate them into the community.

- Make any necessary revisions to the design of the Short Motivational Programme and/or the training of staff in the delivery of the programme, following a review of its initial implementation.
- Finalise the evaluation report on the intensive group treatment programme for dangerous and severe personality disorders.
- Pilot a structured Relapse Prevention Programme for delivery to community-based offenders and offenders who have successfully completed a rehabilitation programme.
- Continue to develop initiatives to strengthen Corrections' effectiveness for Māori in order to reduce re-offending.
- Complete evaluations of the Department's Te Ihi Tu (community residential centre) and Tikanga Māori programmes; and commence evaluations of the Māori Focus Units and Māori Therapeutic programmes.
- Identify any specific employment-related training needs for Māori through analysis of achievement rates to date and develop strategies and activities to address these needs.
- Develop monitoring and evaluation processes for the Pacific Focus Unit at the Spring Hill Corrections Facility, in line with the Pacific evaluation framework.

Corrections is pursuing a number of initiatives to deliver on the Prisoner Employment Strategy:

- Implement year two of the Prisoner Employment Strategy – this includes completion of prison site profiling and new site by site growth plans, completion of sector strategic plans combining identified site growth opportunities and offender needs. It also includes reviewing the Corrections Inmate Employment (CIE) structure and capability alignment to deliver longer term offender employment growth.
- Continue to implement the agreed framework for offender education and employment related training through CIE employment activities and industry training.
- Continue to increase the rate of offender participation in NZQA-accredited education aligned with the increases in rates of offender employment.

- Subject to public safety, increase the number of offenders on Release-to-Work to 160 at any one time by December 2007 and design and implement the infrastructure required for long-term sustainability in this area.
- Implement the agreed initiatives for further improving employment and employment-related activities for young offenders.



## OUTCOME: SENTENCE OPTIONS ARE USED EFFECTIVELY

*Effective sentencing occurs when the sentence imposed adequately denounces the crime, provides protection for the public, deters future crime, and permits rehabilitation of the offender, but does so by way of the most appropriate sentence option available.*

By providing high-quality and timely advice to the judiciary and the Parole Board, Corrections assists these bodies to impose a sentence or order that is commensurate to the crime, details risks posed by the offender to public safety, as well as their suitability for rehabilitation. The proposed expansion of community-based sentences will assist with providing the judiciary with a broader range of sentencing options to better match the offending behaviour and risk of re-offending.

### Outcome Indicators

Assessing the impact of the work Corrections does in the area of providing advice to the judiciary and the Parole Board is difficult. The outcome of 'effective use of sentence options' is shared by other agencies.

As part of the development of outcome indicators, possible areas that may be looked at include:

- the judiciary's satisfaction with services provided
- the Parole Board's satisfaction with services provided.

Further information on the work Corrections is doing to increase its performance in this area through working with other agencies and specific initiatives is described below.

### How Corrections works with other Agencies

Corrections supports the effective use of sentence options through the provision of pre-sentence assessments and reparation reports to courts. Corrections provides the New Zealand Parole Board with advice on the suitability of offenders for Home Detention and parole. In preparing reports to judicial authorities, Corrections actively liaises with the New Zealand Police to ensure quality advice.

### Contributing Outputs

Output classes that contribute to achieving this outcome include:

- Output Class 1: Information Services
- Output Class 8: Services to the New Zealand Parole Board.

### Initiatives that support this Outcome

The following initiative will contribute to the effective delivery of sentencing options:

- Complete planned activities to support the implementation of the new sentencing structure (also contributes to compliance with sentences and orders).

## OUTCOME: VICTIMS OF CRIME ARE SUPPORTED

*Victims of crime are supported through being informed, to the extent that the Victims Rights Act 2002 allows, of changes in the status of the specified offender. Being informed provides, amongst other things, a degree of reassurance as to the possibility of future unexpected encounters with that offender.*

The Department has a responsibility to notify victims about specific events relating to the offender detailed in the Victims Rights Act 2002.

### Outcome Indicators

Outcome indicators have been identified against each outcome in Corrections' outcomes framework.

The indicator Corrections will work to develop is the number of justified victim complaints.

Further information on the work Corrections is doing to increase its performance in this area through working with other agencies and specific initiatives is described below.

### How Corrections works with other Agencies

Corrections is a party to the Operational Protocol on Victim Notification, along with the Ministry of Social Development, the Ministry of Health, the New Zealand Immigration Service branch of the Department of Labour and the New Zealand Police. The Protocol sets out the services each of the agencies are required to provide with the aim of improving the provisions for the treatment and rights of victims of offences.

Corrections is working on a specific initiative with the Ministry of Justice to develop the Restorative Justice Communications Strategy as part of the planning for the implementation of Effective Interventions.

### Contributing Outputs

Output Class 10: Service Purchase and Monitoring, contributes to the achievement of this outcome.

### Initiatives that support this Outcome

In addition to the joint initiative with the Ministry of Justice outlined above, the following initiative will

contribute to improving delivery in the area of victims of crime being supported:

- Develop and implement a framework for restorative justice conferences between offenders and their victims to be held in prisons (also contributes to reducing re-offending).

## BUILDING CORRECTIONS' CAPABILITY

The capability of Corrections' structure, leadership, culture, people, relationships, technology and information, and physical assets are all critical to its ability to contribute effectively to achieving its outcomes.

Developing capability within the Department of Corrections supports the State Services Commission goals of:

- Employer of Choice
- Excellent State Servants
- Networked State Services
- Co-ordinated State Agencies
- Accessible State Services
- Trusted State Services

The Department's focus on safer communities by protecting the public and reducing reoffending through people, performance and quality is underpinned by the PRIDE values:

<b>PROFESSIONALISM</b>	<ul style="list-style-type: none"> <li>• MANAGERS AND STAFF INTERACTING WITH OFFENDERS IN A PROFESSIONAL MANNER.</li> <li>• WORKING TOGETHER, BEING RESPONSIVE TO OTHERS AND ENHANCING RELATIONSHIPS, BOTH INTERNALLY AND EXTERNALLY.</li> <li>• BEING AN EMPLOYER OF CHOICE THAT VALUES PROFESSIONALISM, CONTINUES TO INVEST IN STAFF AND MANAGERS, ENCOURAGES THEM TO TAKE PRIDE IN THEIR WORK AND VALUES THE CONTRIBUTION THAT THEY MAKE.</li> </ul>
<b>RESPONSIVENESS</b>	<ul style="list-style-type: none"> <li>• ENABLING AND ENSURING THAT INDIVIDUALS TAKE PERSONAL RESPONSIBILITY FOR THEIR ACTIONS.</li> <li>• INNOVATION IN SERVICE PERFORMANCE EXCELLENCE.</li> </ul>
<b>INTEGRITY</b>	<ul style="list-style-type: none"> <li>• FAIRNESS, ACTING WITH IMPARTIALITY AND INTEGRITY, WITH RESPECT FOR THE RIGHTS AND RULE OF LAW AT ALL TIMES.</li> </ul>
<b>DIVERSITY</b>	<ul style="list-style-type: none"> <li>• BEING AN ORGANISATION THAT VALUES DIVERSITY AND TREATS ALL PEOPLE WITH RESPECT.</li> </ul>
<b>EFFECTIVENESS AND EFFICIENCY</b>	<ul style="list-style-type: none"> <li>• BEING EFFECTIVE IN IMPROVING OUTCOMES FOR MĀORI AND PACIFIC PEOPLES.</li> <li>• EFFECTIVELY CONTRIBUTING TO OUR OUTCOMES.</li> <li>• DELIVERING AN EFFICIENT INTEGRATED SERVICE TO THE PUBLIC AND OFFENDERS WITH TRANSPARENCY AND ACCOUNTABILITY.</li> </ul>

These **PRIDE** values establish the foundation for capability development.

The Department's plan to build capability will be managed through:

- changes to the organisational structure
- provision of clear leadership
- investment in people (managers and staff)
- a focus on an organisational culture that promotes the highest standards of professionalism and integrity
- active performance management
- strong links to other agencies to ensure that

Corrections' contribution to the justice sector supports enhanced State Sector co-ordination.

### Organisational Structure

The Department's current structure has service delivery functions which are supported by specialist support functions. In 2007/08 the Department will be implementing a major reorganisation of the Department in order to realign functions under a shared services model. The need to improve integration across the Department recognises that each of the service delivery functions is



part of a bigger organisation and not separate entities with service specific support.

The Department's reorganisation is driven by a need to improve integration, efficiency and effectiveness and to ensure that the Department is well placed to meet the challenges ahead. The initial change will realign functions with a second phase of restructuring likely to be necessary. The proposed change, which sees service delivery arms supported by specialist shared support services, should see an increased ability to focus on core business. It should also give the Department's senior management the opportunity to allocate those support services strategically to best manage risk and organisational needs.

The Department will commence work to align regional structures starting with the structures that have been in place within the Community Probation Service, Intervention Services and the Psychological Service. The regional structure in Prison Services will also be reviewed during 2007/08 along with the Head Office functions necessary to support the effectiveness of Prison Services.

Further details of the Corrections structure and the role of each Service and Group are available on Corrections' website [www.corrections.govt.nz](http://www.corrections.govt.nz).

### Leadership

The change in the structure is critical to the direction that has been set for the Department – a clear vision of Corrections as an integrated organisation that continuously works to improve the way it manages offenders through their sentences and the range of interactions they have with the Department, for the best outcomes. The structural reorganisation is intended to create an environment with clear accountabilities, a necessary element for effective leadership, empowering staff to perform, and facilitating continuous improvement.

The Department continues to offer its Management at Corrections development programme which offers a range of modules to impart training in key management skills. This programme will continue to be expanded to meet the development needs of the Department's managers. The Future Leaders programme will continue to be offered to those staff who express an interest in progressing into

management and are assessed as having the potential to be future leaders. The aim of the programme is to prepare these staff for the challenges of leadership in the Department of Corrections.

A Māori staff mentoring programme will also be offered in 2007/08. This is a pilot programme which aims to assist high-potential Māori staff prepare for the challenges of management through assisted development and support from a mentor.

The development of senior managers is also a priority and participation in higher learning opportunities will be supported by the Department.

### Culture

The implementation of a culture change project is planned to follow the structural change implementation. The aim of the project is to work as an organisation, with buy-in from staff and managers, to identify what we expect the Department to be like when it is living up to its vision and values. The aim is to have all staff own the vision and be committed to it. The process will involve an examination of how employees collectively assess how the Department measures up. This then leads to the most important step, the process of developing practical strategies to actively move the Department from where it is to where it should be.

The Department has implemented a system of recognition for those staff who exemplify the values of PRIDE. This is seen as a key strategy as it actively promotes the Department's values in a tangible way. The Department will continue to recognise exemplary contributions made by staff through the PRIDE Awards.

A number of further initiatives will be undertaken in order to deal with situations where the Department's standards of integrity are not met. An Internal Investigations Team is being established as part of the structural reorganisation to ensure the Chief Executive has the capacity and capability to investigate issues of integrity. The Department will also be reminding all staff of the standards they are expected to maintain and will manage an education programme to ensure staff understand how to raise issues, make complaints, escalate matters and make protected disclosures.

## People

Corrections has a Human Resources Operational Strategy that guides its approach to managing its staff. The strategy outlines the objectives:

- Alignment of organisational culture.
- Responsiveness to Māori and diversity.
- Enhancement of people capability and capacity.
- An effective human resources framework.

Keeping its staff and offenders safe and healthy is important to Corrections. The Department has achieved primary status in the Accident Compensation Corporation Partnership Programme with all but two measures assessed at the secondary or tertiary level. This represents a significant improvement in health and safety management that the Department will continue to build in 2007/08.

Learning and development is a critical priority for the Department of Corrections as it is through our staff that the Department delivers its outcomes. Staff must therefore be helped to develop the skills and knowledge necessary to be effective. The Department will continue to develop, review, refine and deliver training solutions that meet development needs. The Department has a large range of in-house training that it delivers under the annual training programmes.

In 2007/08 Corrections will support learning and development associated with new sentence structures proposed under the Effective Interventions legislative

changes. This will necessitate the redevelopment of the Probation Officer curriculum and the training programmes for other related occupational groups.

Both Effective Interventions and the opening of new prison facilities will mean continued emphasis on recruiting quality staff and providing the training to prepare them for their roles in the Department.

Corrections will undertake its Pay and Employment Equity Audit in 2007/08 under the Government's Pay and Employment Equity Action Plan.

## Relationships

Corrections' work is integrally linked with that of other agencies in the justice sector, with each agency contributing to shared sector outcomes. Justice sector agencies plan and work together to address key issues.

Corrections contributes to reduced re-offending through providing programmes and activities that help to rehabilitate offenders and reintegrate them into society. However, Corrections' work alone is not the only factor in reducing re-offending, and it has to work with many others to be effective.

Corrections works with many other organisations to deliver programmes, activities and services to offenders. These organisations include public sector agencies, non-government organisations, training and educational organisations, community groups and volunteers. It is

## CASE STUDY - 2006 PRIDE AWARDS

Two staff members' heroic actions mediating a hostage crisis at Auckland Prison were recognised when they were awarded the 2006 PRIDE Chief Executive Award.

The staff members were the first on the scene when a prisoner locked himself and a female Corrections Officer in a cupboard. Prior to the Police arriving, the two staff talked to the prisoner, working all the time to keep him focused on them rather than the hostage. When Police arrived, they saw the rapport the pair had established with the prisoner and encouraged them to continue with their negotiations.

Eventually, the Police had to step in, but they were full of praise for the way the pair conducted themselves in such a difficult situation.

Chief Executive Barry Matthews awarded PRIDE awards to seven staff in 2006.

"Despite the difficulties and challenges of working with offenders, some staff have the ability to rise above these challenges, setting even higher standards for all to meet."

also reliant on employers providing work opportunities for offenders to gain on-the-job skills and experience.

In 2007/08, Corrections will implement a revised approach to developing relationships and managing contracts with partner non-government organisations.

The Chief Executive has a Māori Advisory Group and a Pacific Advisory Group to guide policy and operational decisions on how Corrections can be more effective for Māori and Pacific peoples. Corrections works closely with local iwi to ensure that its services are delivered in a ways that work best for Māori. Corrections runs specialist programmes and units focusing on the unique needs of Māori and Pacific offenders.

In 2007/08, Corrections will update its Māori Communications Strategy to include communicating directly with Māori in communities in addition to existing stakeholder and partnership groups.

The Office of the Ombudsmen is also reviewing the interfaces in the justice sector to optimise relationships between agencies in the sector.

### Technology

Corrections has Information Technology and Knowledge Management Strategies that guide the management of technology and information within the Department. These strategies are also in line with the e-govt and Justice Sector Information Strategies.

The implementation of these four strategies seeks to optimise efficiency and effectiveness of systems, decision support, business processes, and provision of information.

Initiatives relating to technology and information planned for 2007/08 include:

- Enhancement of IT systems to support changes flowing from the Effective Interventions legislative changes, if passed, and the related business process.
- Continued implementation of document and record management systems as well as continual development of the Department's information assets.
- Continual maintenance and enhancement of the technology and information systems to ensure that they support the business needs.

- Implementation of key projects such as Rapid ID (finger scanning) for prison-based offenders and unauthorised mobile phone management technologies.

### Physical Assets

In recent years, Corrections has managed its assets to accommodate a substantial increase in the offender population. This has seen Correction's capacity, particularly in its prisons, being occasionally exceeded, sometimes necessitating the use of Police and court cells.

Corrections has a major capital expenditure programme to build new facilities so it has the facilities to cope with the projected increase in the prison population over the next 10 years.

Corrections will decommission and upgrade some of its facilities to ensure that it can safely and humanely contain prisoners and deliver effective rehabilitation programmes and reintegration services.

In 2007/08, the following initiatives will develop our capital assets base:

- Completion of the commissioning of Otago Corrections Facility.
- Completion of the construction and commissioning of the Spring Hill Corrections Facility.
- Progressing the design work for the redevelopment of Mt. Eden Prison.

The following table outlines Corrections' capital expenditure programme.



### Capital Expenditure Trends and Forecasts

	2007/08 FORECAST \$000	2006/07 EST. ACTUAL \$000	2005/06 ACTUAL \$000	2004/05 ACTUAL \$000	2003/04 ACTUAL \$000	2002/03 ACTUAL \$000
<b>LAND AND BUILDINGS</b>						
NEW REGIONAL PRISONS	38,093	246,908	310,650	153,440	60,371	33,790
PRISON EXPANSION – ADDITIONAL BEDS	64,396	64,124	70,880	28,200	–	24,060
DESIGN OPTIONS ASSOCIATED WITH THE CONSIDERATION OF THE REDEVELOPMENT OF MT EDEN PRISON	500	7,493	980	520	–	–
SECURITY PROJECTS, INCLUDING FENCES	–	–	–	1,780	10,930	3,730
HEALTH AND SAFETY WORK	22,000	11,280	8,880	15,920	1,993	5,410
DEFERRED MAINTENANCE WORK	5,000	24,970	17,100	18,930	12,457	3,230
PROBATION AND OFFENDER SERVICES ACCOMMODATION	20,500	12,300	2,320	3,680	1,703	2,570
<b>SUB-TOTAL</b>	<b>150,489</b>	<b>367,075</b>	<b>410,810</b>	<b>222,470</b>	<b>87,454</b>	<b>72,790</b>
PRISONER EMPLOYMENT PROJECTS	5,000	5,000	2,600	3,490	5,118	5,450
PLANT AND MACHINERY, EQUIPMENT, MOTOR VEHICLES, AND FURNITURE AND FITTINGS	7,350	10,954	5,390	6,450	6,560	4,470
INFORMATION TECHNOLOGY	9,750	17,942	14,040	12,130	6,690	10,170
<b>TOTAL</b>	<b>172,589</b>	<b>400,971</b>	<b>432,840</b>	<b>244,540</b>	<b>105,822</b>	<b>92,880</b>

Corrections will also provide Cabinet with information to allow timely decisions about Corrections' capacity management requirements.





## PART B

### FORECAST FINANCIAL STATEMENTS



# DEPARTMENT OF CORRECTIONS

ARA POUTAMA AOTEAROA



## PART B FORECAST FINANCIAL STATEMENTS CONTENTS

❖	STATEMENT OF RESPONSIBILITY	40
❖	FINANCIAL SUMMARY	41
❖	FINANCIAL HIGHLIGHTS	42
❖	FORECAST INCOME STATEMENT	43
❖	FORECAST STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS	44
❖	FORECAST BALANCE SHEET	45
❖	FORECAST STATEMENT OF CASH FLOWS	46
❖	FORECAST RECONCILIATION OF NET OPERATING CASH FLOWS	47
❖	FORECAST DETAILS OF PHYSICAL ASSETS	48
❖	FORECAST DETAILS OF INTANGIBLE ASSETS	48
❖	FORECAST DETAILS OF BIOLOGICAL ASSETS	49
❖	FORECAST OUTPUT CLASS OPERATING STATEMENTS	50
❖	STATEMENT OF ACCOUNTING POLICIES	52

## STATEMENT OF RESPONSIBILITY

The forecast financial statements of the Department of Corrections presented in this report for the year ending 30 June 2008 have been prepared in accordance with sections 38 to 42 (inclusive) of the Public Finance Act 1989.

In terms of this provision, we are responsible for the preparation and contents of this report. We accept responsibility for the integrity of the statements contained in this report.

The financial performance forecast to be achieved by the Department for the year ending 30 June 2008 that is specified in the Statement of Intent is as agreed with the Minister of Corrections, who is the Responsible Minister for the financial performance of the Department of Corrections.

The forecast performance for each class of outputs to be achieved by the Department for the year ending 30

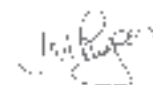
June 2008 that is specified in the Statement of Intent is as agreed with the Minister of Corrections, who is responsible for the Department of Corrections.

We certify that the information contained in this report is consistent with the existing appropriations and the appropriations contained in the Estimates for the year ending 30 June 2008 that are being laid before the House of Representatives under section 13 of the Public Finance Act 1989.



Signed  
**Barry Matthews**  
Chief Executive

7 May 2007



Countersigned  
**John Ryan**  
Chief Financial Officer

7 May 2007



## FINANCIAL SUMMARY

The following financial highlights for the Department of Corrections present a forecast of performance for the year ending 30 June 2008.

In 2007/08 the Department of Corrections expects to earn income of:

- \$862.022 million in revenue from the Crown
- \$32.167 million in revenue from other sources.

Expenses of \$894.189 million are expected in purchasing services that will be supplied and administered under the ten departmental output expenses. The distribution of this expenditure is intended as follows:

- \$40.240 million (4.5% of the Vote) on providing information requested by the courts and the New Zealand Parole Board to inform their decision-making processes.
- \$111.533 million (12.5% of the Vote) on management and delivery of community-based sentences and orders through offender management and sentence management services.
- \$123.895 million (13.9% of the Vote) on custodial remand services to hold people charged with offences, and offenders convicted but not yet sentenced.
- \$10.967 million (1.2% of the Vote) on the transportation of prisoners to and from court and their supervision while at court.
- \$506.001 million (56.6% of the Vote) on providing custodial services and administering sentences of imprisonment.
- \$38.395 million (4.3% of the Vote) on prisoner employment, including providing opportunities for prisoners to gain recognised qualifications and work experience through a diverse range of employment-related activities and training.
- \$50.835 million (5.7% of the Vote) on prison and community-based responsivity and rehabilitative programmes to address the underlying causes of criminal offending, reintegrative services to prepare offenders for release into the community, and psychological services.

- \$5.708 million (0.6% of the Vote) on funding for, and administrative services to, the New Zealand Parole Board.
- \$4.881 million (0.5% of the Vote) on the provision of advice and development of policies to improve the delivery and effectiveness of corrections services, development of service standards, analysis of trends in the offender population, evaluation of the impact of programmes to reduce reoffending, ministerial servicing including responses to ministerial correspondence, parliamentary questions, official information requests and requests from the Office of the Ombudsmen.
- \$1.734 million (0.2% of the Vote) on the provision of inspectorate services, development, management and monitoring of services from external providers, community funding contracts with external providers, contracts with Community Residential Centres, agreements with other Government agencies, development and maintenance of service specifications and national systems, victim notification services and offender records services.

The Department of Corrections received a capital contribution of \$58.600 million primarily for the capital content of Effective Intervention programmes including home detention, community-based sentences and prisoner employment.

More details of how each of the output expenses will be spent are given in tables contained in pages 64 to 101.

The Department of Corrections manages a government investment (through taxpayers' funds) of \$1.724 billion and expects a negative net cash flow from operations and investment of \$63.835 million.

The financial information in pages 41 to 60 consists of forecasts. The actual results achieved for the periods covered are likely to vary from the information presented, and the variations may be material.



## FINANCIAL HIGHLIGHTS

For the Financial Years Ending 30 June 2007 and 30 June 2008

	2006/07	2006/07	2007/08
	Budget	Estimated Actual	Forecast
	\$000	\$000	\$000
Revenue: Crown	698,078	742,619	862,022
Revenue: Department	6,229	7,029	6,169
Revenue: Other	25,998	27,998	25,998
Output Expenses	730,305	777,646	894,189
Net Surplus / (Deficit)	–	–	–
Taxpayers' Funds	1,564,531	1,663,834	1,724,420
Net cash flows from operating and investing activities	(231,823)	(311,096)	(63,835)



## FORECAST INCOME STATEMENT

For the Year Ending 30 June 2008

	2006/07 Budget \$000	2006/07 Estimated Actual \$000	2007/08 Forecast \$000
<b>REVENUE</b>			
Crown	698,078	742,619	862,022
Departmental	6,229	7,029	6,169
Other	25,998	27,998	25,998
<b>Total revenue</b>	<b>730,305</b>	<b>777,646</b>	<b>894,189</b>
<b>OUTPUT EXPENSES</b>			
Personnel	344,398	383,657	449,612
Operating	197,101	206,778	212,440
Depreciation and amortisation	80,223	78,023	111,304
Capital charge	108,583	109,188	120,833
<b>Total output expenses</b>	<b>730,305</b>	<b>777,646</b>	<b>894,189</b>
Other (non-output) expenses	–	–	–
<b>Net surplus/(deficit)</b>	<b>–</b>	<b>–</b>	<b>–</b>



## FORECAST STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS

For the Financial Years Ending 30 June 2007 and 30 June 2008

	2006/07 Budget \$000	2006/07 Estimated Actual \$000	2007/08 Forecast \$000
<b>TAXPAYERS' FUNDS BROUGHT FORWARD AS AT</b>			
<b>30 JUNE UNDER GAAP</b>	<b>1,346,849</b>	<b>1,272,152</b>	<b>1,663,834</b>
Add NZ IFRS adjustments*	–	–	1,986
<b>TAXPAYERS' FUNDS BROUGHT FORWARD AS AT</b>			
<b>1 JULY 2007 UNDER NZ IFRS</b>	<b>–</b>	<b>–</b>	<b>1,665,820</b>
Movements during the year (other than flows to and from the Crown)	–	–	–
Add/(deduct) net surplus/(deficit)	–	–	–
Increase/(decrease) in revaluation reserves	–	80,000	–
<b>Total recognised revenues and expenses for the period</b>	<b>1,346,849</b>	<b>1,352,152</b>	<b>1,665,820</b>
Adjustment for flows to and from the Crown:			
Add capital contributions from the Crown during the year	217,682	311,682	58,600
(Deduct) distributions to the Crown during the year	–	–	–
Provision for payment of surplus to the Crown	–	–	–
Other	–	–	–
Add/(deduct) asset/liability transfers between the Department and the Crown	–	–	–
<b>TOTAL ADJUSTMENTS FOR FLOWS TO AND FROM THE CROWN</b>	<b>217,682</b>	<b>311,682</b>	<b>58,600</b>
<b>TAXPAYERS' FUNDS AT END OF THE YEAR</b>	<b>1,564,531</b>	<b>1,663,834</b>	<b>1,724,420</b>

\* NZ IFRS balance adjusted for 1 July 2007. Refer to Accounting Policies – Changes in Accounting Policies.

## FORECAST BALANCE SHEET

As at 30 June 2007 and 30 June 2008

	30 June 2007 Budget \$000	30 June 2007 Estimated Actual \$000	30 June 2008 Forecast \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	17,383	19,258	14,023
Prepayments	625	625	625
Accounts receivable	4,050	5,684	4,684
Inventories	3,842	5,600	5,600
<b>Total current assets</b>	<b>25,900</b>	<b>31,167</b>	<b>24,932</b>
<b>Non-current assets</b>			
Livestock	8,350	8,680	–
Biological Assets	–	–	40,502
Investments	6,608	6,563	9,973
Physical assets	1,662,172	1,768,613	1,765,333
Intangible assets	–	–	31,293
<b>Total non-current assets</b>	<b>1,677,130</b>	<b>1,783,856</b>	<b>1,847,101</b>
<b>Total assets</b>	<b>1,703,030</b>	<b>1,815,023</b>	<b>1,872,033</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	95,649	96,339	92,763
Provision for repayment of surplus	–	–	–
Provision for employee entitlements	32,950	42,950	42,950
<b>Total current liabilities</b>	<b>128,599</b>	<b>139,289</b>	<b>135,713</b>
<b>Term liabilities</b>			
Provision for employee entitlements	9,900	11,900	11,900
<b>Total term liabilities</b>	<b>9,900</b>	<b>11,900</b>	<b>11,900</b>
<b>Total liabilities</b>	<b>138,499</b>	<b>151,189</b>	<b>147,613</b>
<b>TAXPAYERS' FUNDS</b>			
General funds	1,475,622	1,494,622	1,557,008
Revaluation reserves	88,909	169,212	167,412
<b>Total taxpayers' funds</b>	<b>1,564,531</b>	<b>1,663,834</b>	<b>1,724,420</b>
<b>Total liabilities and taxpayers' funds</b>	<b>1,703,030</b>	<b>1,815,023</b>	<b>1,872,033</b>



## FORECAST STATEMENT OF CASH FLOWS

For the Financial Years Ending 30 June 2007 and 30 June 2008

	2006/07 Budget \$000	2006/07 Estimated Actual \$000	2007/08 Forecast \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash provided from:			
Supply of outputs to Crown	698,078	742,619	862,022
Supply of outputs to Departments	6,229	7,029	6,169
Supply of outputs to Other	25,998	27,080	26,998
Cash disbursed to:			
Output Expenses	(541,499)	(579,484)	(662,052)
Capital charge	(108,583)	(109,188)	(120,833)
Other Expenses	–	–	–
<b>Net cash flows from operating activities</b>	<b>80,223</b>	<b>88,056</b>	<b>112,304</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash provided from:			
Sale of investments	–	–	–
Sale of physical and intangible assets	1,650	1,650	1,450
Cash disbursed to:			
Purchase of investments	–	–	–
Purchase of physical and intangible assets	(313,696)	(400,802)	(177,589)
<b>Net cash flows from investing activities</b>	<b>(312,046)</b>	<b>(399,152)</b>	<b>(176,139)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash provided from:			
Capital contribution from the Crown	217,682	311,682	58,600
Cash disbursed to:			
Payment of surplus to the Crown	–	(1,372)	–
<b>Net cash flows from financing activities</b>	<b>217,682</b>	<b>310,310</b>	<b>58,600</b>
<b>Net increase/(decrease) in cash held</b>	<b>(14,141)</b>	<b>(786)</b>	<b>(5,235)</b>
Opening total cash balances at 1 July	31,524	20,044	19,258
<b>Closing cash balances as of 30 June</b>	<b>17,383</b>	<b>19,258</b>	<b>14,023</b>



## FORECAST RECONCILIATION OF NET OPERATING CASH FLOWS

For the Financial Years Ending 30 June 2007 and 30 June 2008

	2006/07 Budget \$000	2006/07 Estimated Actual \$000	2007/08 Forecast \$000
<b>OPERATING SURPLUS/(DEFICIT)</b>	–	–	–
<b>Add/(deduct) non-cash items</b>			
Loss arising from the devaluation of land and buildings	–	–	–
Loss on sale of physical and intangible assets	–	–	–
Depreciation and amortisation	80,223	78,023	111,304
Other non-cash items	–	82	–
<b>Add/(deduct) Working Capital movements</b>			
(Increase)/decrease in inventories	–	(424)	–
(Increase)/decrease in debtors and receivables	–	(1,032)	1,000
(Increase)/decrease in debtor Crown	–	–	–
(Increase)/decrease in pre-payments	–	337	–
(Increase)/decrease in creditors and payables	–	4,728	–
(Increase)/decrease in capital charge payable	–	–	–
(Increase)/decrease in other accrued liabilities	–	–	–
(Increase)/decrease in employee entitlements	–	6,342	–
Other items	–	–	–
<b>Net Working Capital movements</b>	–	<b>9,951</b>	<b>1,000</b>
<b>Net cash flows from operating activities</b>	<b>80,223</b>	<b>88,056</b>	<b>112,304</b>



## FORECAST DETAILS OF PHYSICAL ASSETS

By Category as at 30 June 2007 and 30 June 2008

	30 June 2007 Estimated Actual			30 June 2008 Forecast		
	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000
Freehold land	122,261	–	122,261	122,261	–	122,261
Forests	31,322	–	31,322	–	–	–
Buildings	1,528,440	–	1,528,440	1,681,229	87,200	1,594,029
Plant and equipment	40,166	22,827	17,339	42,866	26,027	16,839
Leasehold improvements	11,539	5,724	5,815	11,639	6,774	4,865
Furniture and fittings	11,096	6,618	4,478	11,296	7,718	3,578
Motor vehicles	36,346	21,191	15,155	37,846	23,291	14,555
Computer software	76,729	42,632	34,097	–	–	–
Computer hardware	31,491	21,785	9,706	31,491	22,285	9,206
<b>TOTAL</b>	<b>1,889,390</b>	<b>120,777</b>	<b>1,768,613</b>	<b>1,938,628</b>	<b>173,295</b>	<b>1,765,333</b>

## FORECAST DETAILS OF INTANGIBLE ASSETS

By Category as at 30 June 2007 and 30 June 2008

	30 June 2007 Estimated Actual			30 June 2008 Forecast		
	Cost \$000	Accumulated Amortisation \$000	Net Book Value \$000	Cost \$000	Accumulated Amortisation \$000	Net Book Value \$000
Computer software	–	–	–	83,729	52,436	31,293
<b>TOTAL</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>83,729</b>	<b>52,436</b>	<b>31,293</b>





## FORECAST DETAILS OF BIOLOGICAL ASSETS

By Category as at 30 June 2007 and 30 June 2008

	30 June 2007 Estimated Actual			30 June 2008 Forecast		
	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000
Forests	–	–	–	31,822	–	31,822
Livestock	–	–	–	8,680	–	8,680
<b>TOTAL</b>	–	–	–	<b>40,502</b>	–	<b>40,502</b>



## FORECAST OUTPUT CLASS OPERATING STATEMENTS

The Department of Corrections is committed to providing output classes in 2007/08 that meet the requirements of the Minister of Corrections and other stakeholders in terms of the nature, quantity, quality, timeliness and cost of each class.

Departmental output classes to be delivered by the Department of Corrections for the year ending 30 June 2008, and their associated revenue, expenses and surplus or deficit, are summarised in the table below.

Departmental Output Class	Description	Revenue Crown \$000	Revenue Dept \$000	Revenue Other \$000	Total Expenses \$000	Surplus/ (Deficit) \$000
<b>VOTE CORRECTIONS</b>						
<b>Output Class 1:</b> Information Services	Providing information requested by the courts and the New Zealand Parole Board to inform their decision-making processes	40,240	–	–	40,240	–
<b>Output Class 2:</b> Community- based Sentences and Orders	Management and delivery of community-based sentences and orders through sentence management and sentence compliance services	110,893	640	–	111,533	–
<b>Output Class 3:</b> Custody of Remand Prisoners	Custodial remand services to hold people charged with offences, and offenders convicted but not yet sentenced	123,895	–	–	123,895	–
<b>Output Class 4:</b> Escorts and Custodial Supervision	Transportation of prisoners to and from court and their supervision while at court	10,967	–	–	10,967	–
<b>Output Class 5:</b> Custodial Services	Provision of custodial services and facilities, and administering sentences of imprisonment	500,472	5,529	–	506,001	–
<b>Output Class 6:</b> Prisoner Employment	Prisoner employment, including providing opportunities for prisoners to gain recognised qualifications and work experience through a diverse range of employment-related activities and training	12,397	–	25,998	38,395	–



## FORECAST OUTPUT CLASS OPERATING STATEMENTS

Departmental Output Class	Description	Revenue Crown \$000	Revenue Dept \$000	Revenue Other \$000	Total Expenses \$000	Surplus/ (Deficit) \$000
<b>Output Class 7:</b> Rehabilitative Programmes and Reintegrative Services	Prison and community-based responsivity and rehabilitative programmes to address the underlying causes of criminal offending, reintegrative serv- ices to prepare offenders for release into the community, and psychological services	50,835	–	–	50,835	–
<b>Output Class 8:</b> Services to the New Zealand Parole Board	Funding for, and administra- tive services to, the New Zealand Parole Board	5,708	–	–	5,708	–
<b>Output Class 9:</b> Policy Advice and Development	Provision of advice, develop- ment of policies to improve the delivery and effectiveness of corrections services, devel- opment of service standards, analysis of trends in the of- fender population, evaluation of the impact of programmes to reduce reoffending, min- isterial servicing including responses to ministerial cor- respondence, parliamentary questions, official information requests and requests from the Office of the Ombudsmen	4,881	–	–	4,881	–
<b>Output Class 10:</b> Service Purchase and Monitoring	Provision of inspectorate services, development, man- agement and monitoring of services from external provid- ers, community funding con- tracts with external providers, contracts with Community Residential Centres, agree- ments with other Govern- ment agencies, development and maintenance of service specifications and national systems, victim notification services and offender records services	1,734	–	–	1,734	–



## STATEMENT OF ACCOUNTING POLICIES

For The Year Ending 30 June 2008

The Department of Corrections will adopt the following accounting policies consistently during the year and apply these policies to the Statement of Intent. In accordance with the New Zealand Institute of Chartered Accountants Financial Reporting Standard 42 (FRS 42), the following information is provided in respect of the Statement of Intent:

### (i) Cautionary Note

The Statement of Intent's financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

### (ii) Nature of Prospective Information

The financial information presented consists of forecasts that have been prepared on the basis of best estimates and assumptions on future events that the Department of Corrections expects to take place.

### (iii) Assumptions

In setting goals and aims for 2007/08 the Department has been working under a number of assumptions. The main assumptions underlying the forecast are:

- the Department's short and mid-term direction and environment remains similar
- short term growth in prison volumes can be managed within existing facilities and those planned for commissioning in the period.
- increases in demand for services can be met through reducing delivery in other service areas
- any new Government policies or initiatives that have a financial impact on the Department will be fully offset by increased funding
- interest rates will be within Treasury's forecast
- cash flow relating to increased depreciation from asset revaluation will be available for capital deferred maintenance works
- projected proceeds from approved sale of surplus assets will be realised
- the impact of any further asset revaluation on depreciation and/or capital charge has not been assessed in this document.

### New Zealand Equivalents to International Financial Reporting Standards (NZIFRS)

The financial reporting standard on preparing prospective financial statements (FRS-42) states that the prospective (forecast financial statements) for an upcoming financial year should be prepared using the same standards that will be used for the statements at the end of that financial year.

The forecast financial statements in this Statement of Intent have been prepared in accordance with the New Zealand Equivalents to International Financial Reporting Standards (NZIFRS). This means that the financial statements for the financial years 2007/08 have been prepared in accordance with NZIFRS but the prospective (estimated actuals) statements for 2006/07 in this document have been prepared using the previous standards (NZ GAAP). The effect is noted in changes in accounting policy.

### Reporting Entity

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

These are the financial statements of the Department of Corrections prepared pursuant to section 45 of the Public Finance Act 1989.



## STATEMENT OF ACCOUNTING POLICIES

For The Year Ending 30 June 2008

The Department of Corrections has reported the Crown activities and trust monies that it administers.

Under the NZ IFRS, the Department of Corrections is classified as an individual Public Benefit Entity. This has affected the selection of accounting policies required or permitted under the NZ IFRS.

### Reporting Period

The reporting period covers the 12 months from 1 July 2007 to 30 June 2008. Comparative projected figures for the year ended 30 June 2007 are provided.

### Measurement System

The financial statements are presented in New Zealand Dollars (NZD).

The financial statements have been prepared on an historical cost basis modified by the revaluation of certain non-current assets.

## ACCOUNTING POLICIES

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

### Compliance and Basis of Presentation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with NZ IFRS, and other applicable Financial Reporting Standards, as applicable for public benefit entities.

These are the Department's first NZ IFRS financial statements and NZ IFRS 1 has been applied.

The Department does not qualify for differential reporting exemptions.

The accounting policies have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS Balance Sheet at 1 July 2007 for the purpose of transition to NZ IFRS.

### Revenue – Crown

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 at the fair value of the consideration received or receivable when earned and is reported exclusive of GST (with the exception of interest, dividends and internally generated sales) in the financial period to which it relates.

### Revenue - Goods Sold

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated goods or possible return of goods.

### 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.



## STATEMENT OF ACCOUNTING POLICIES

For The Year Ending 30 June 2008

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

### Debtors and Receivables

Receivables are recorded at fair value and subsequently measured at amortised cost using the effective interest rate. Allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired.

### Operating Leases

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

### Physical Assets

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

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

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

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

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

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

### Intangible Assets

Intangible assets with finite lives are recorded at cost less any amortisation and impairment losses. Amortisation is charged to the Income Statement on a straight-line basis over the useful life of the asset.

Intangible assets, or groups of intangible assets forming part of a network which are material in aggregate, costing more than \$3,000 (GST exclusive) or deemed as valuable and/or attractive are capitalised and recorded at cost.

Any write-down of an item to its recoverable amount is recognised in the Income Statement.

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

Intangible assets are tested for impairment where an indicator arises.

## STATEMENT OF ACCOUNTING POLICIES

For The Year Ending 30 June 2008

### Depreciation

Depreciation is provided on a straight-line basis over the estimated economic useful lives on all physical assets, other than freehold land and items under construction. 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 – concrete	50 years	(2%)
Buildings – wood	25 years	(4%)
Buildings – fit-outs	3 to 20 years	(33.3 to 5%)
Hut complexes – concrete	50 years	(2%)
Hut complexes – wood	25 years	(4%)
Hut fit-outs	3 to 20 years	(33.3 to 5%)
Leasehold improvements	10 years	(10%)
Plant and machinery	10 years	(10%)
Office equipment	5 years	(20%)
Tools and equipment	5 years	(20%)
Furniture and fittings – office	5 years	(20%)
Furniture and fittings – prisoner	3 years	(33.3%)
Information technology – network	5 years	(20%)
Information technology – specialised	3 to 10 years	(33.3 % to 10%)
Information technology – PC based	3 years	(33.3%)
Motor vehicles – heavy duty	8 years	(12.5%)
Motor vehicles – other	5 years	(20%)

The useful lives of buildings are 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.

### Amortisation

Amortisation is provided on a straight-line basis over the intangible assets estimated economic useful lives. There is no allowance for residual values.

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

Information technology – network	5 years	(20%)
Information technology – specialised	3 to 10 years	(33.3 % to 10%)
Information technology – PC based	3 years	(33.3%)

### Inventory

Finished goods, raw materials and work in progress are valued at the lower of cost and 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.



## STATEMENT OF ACCOUNTING POLICIES

For The Year Ending 30 June 2008

### Employee Entitlements

Provision is made in respect of the Department's liability for annual, long service, sick leave and retirement leave.

Sick leave is calculated on historical payroll information. Any material changes are recognised in the Income Statement.

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.

### Biological Assets

Biological Assets managed for harvesting into agricultural produce are recorded at fair value less point of sale costs, with any realised gains or losses reported in the Income Statement.

The Department's valuations have taken into account any material point of sale costs in the valuation.

### Forests

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

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

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

The valuation includes transaction costs.

### Livestock

Livestock Assets are recorded at fair value less point of sale costs. Gains and losses due to changes in the per head value of the livestock at balance date are taken to the Income Statement. Gains and losses due to changes in livestock numbers are taken directly to the Income Statement.

Any material differences in fair value are taken to the Income Statement.

### Insurance Contracts (ACC Partnership Programme)

The Department is a member of the ACC Partnership Programme under which it assumes part of the liability to the employee for rehabilitation and/or compensation.





## STATEMENT OF ACCOUNTING POLICIES

For The Year Ending 30 June 2008

The future cost of ACC claims liabilities is revalued annually based on the latest actuarial information.

Movements of the liability are reflected in the Income Statement.

The Department calculates and recognises outstanding claims liabilities by way of provision.

These liabilities consist of future estimated total cost of work accident claims, Incurred But Not Reported (IBNR) claims and reopened claims.

### Investments

Investments are valued at fair value as assets held for sale. Investments arise from the Department's dealings with companies in the farming industry.

### Foreign Currency

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

### Financial Instruments

The Department is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, debtors and creditors. All financial instruments are recognised in the Balance Sheet and all revenues and expenses in relation to financial instruments are recognised in the Income Statement.

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 Balance Sheet is exclusive of GST except for Creditors and Payables and Debtors and Receivables, which are GST inclusive. All other statements are GST exclusive.

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

### Taxation

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 2004. Accordingly, no charge for income tax has been provided for.

### Commitments

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

### Contingent Liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident. Contingent Liabilities are disclosed if the possibility that they will crystallise is not remote.



## STATEMENT OF ACCOUNTING POLICIES

For The Year Ending 30 June 2008

### **Taxpayers' Funds**

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

## **CHANGES IN ACCOUNTING POLICIES**

### **Translation to NZ IFRS**

The accounting policies have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS Forecast Balance sheet at 1 July 2006 for the purpose of translation to NZ IFRS.

### **Transition to NZ IFRS**

The Department's financial statements for the year ended 30 June 2008 will be the first financial statements that comply with NZ IFRS. The Department has applied NZ IFRS 1 in preparing the forecast financial statements.

The Department prepared its opening NZ IFRS balance sheet at that date. The reporting date of these financial statements is 30 June 2008. The Department's NZ IFRS adoption date is 1 July 2007.

In preparing these consolidated financial statements in accordance with NZ IFRS 1, the Department has applied the mandatory exceptions and no optional exemptions in application of NZ IFRS.

The estimated actual taxpayers' funds at the end of 2006/07 are brought forward to the forecast taxpayers' funds at the beginning of 2007/08. The Department has reported the estimated actuals 2006/07 under current GAAP and reconciled the balance as at 30 June 2007 with the NZ IFRS balance at 1 July 2007.

## STATEMENT OF ACCOUNTING POLICIES

For The Year Ending 30 June 2008

		NZ GAAP AS AT 30 JUNE 2007 \$000	NZ IFRS ADJUSTMENT \$000	NZ IFRS AS AT 1 JULY 2007 \$000
	NOTE			
<b>ASSETS</b>				
<b>Total Current Assets</b>		<b>31,167</b>	<b>-</b>	<b>31,167</b>
<b>Non Current Assets</b>				
Investments	1	6,563	3,410	9,973
Livestock	2	8,680	(8,680)	-
Forests	2	31,322	(31,322)	-
Biological Assets	2	-	40,002	40,002
Physical Assets (excl. forests)	2	1,737,291	(34,097)	1,703,194
Intangible Assets	3	-	34,097	34,097
<b>Total Non Current Assets</b>		<b>1,783,856</b>	<b>3,410</b>	<b>1,787,266</b>
<b>Total Assets</b>		<b>1,815,023</b>	<b>3,410</b>	<b>1,818,433</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	4	96,339	522	96,861
Provision for Employee Entitlements	5	42,950	902	43,852
<b>Total Current Liabilities</b>		<b>139,289</b>	<b>1,424</b>	<b>140,713</b>
<b>Total Non-Current Liabilities</b>		<b>11,900</b>	<b>-</b>	<b>11,900</b>
<b>Total Liabilities</b>		<b>151,189</b>	<b>1,424</b>	<b>152,613</b>
<b>Taxpayers' Funds</b>				
General Funds	6	1,494,622	3,786	1,498,408
Revaluation Reserve	7	169,212	(1,800)	167,412
<b>Taxpayers' funds</b>		<b>1,663,834</b>	<b>1,986</b>	<b>1,665,820</b>
<b>Total Liabilities and Taxpayers' Funds</b>		<b>1,815,023</b>	<b>3,410</b>	<b>1,818,433</b>



## STATEMENT OF ACCOUNTING POLICIES

For The Year Ending 30 June 2008

### NOTES

#### 1. Investments

In accordance with NZ IFRS 39: *Financial Instruments: Recognition and Measurement*, the Department's shares have been recognised at Fair Value.

#### 2. Biological assets

In accordance with NZ IAS 41: *Agriculture*, the Department has classified its livestock and forests as biological assets. Previously, forests were treated as a separate class of asset within property, plant and equipment. Livestock was classified as a separate non-current asset.

#### 3. Intangible assets

In accordance with NZ IAS 38: *Intangible Assets*, the Department has classified its computer software as an intangible asset. Previously, computer software was treated as a separate class of asset within property, plant and equipment.

#### 4. ACC Partnership Scheme Liability

Under NZ IFRS 4: *Insurance Contracts*, the Department is required to recognise the liability for work-related injury claims under the ACC partnership programme. The Department has remeasured its liability and an increase in the liability has been recognised under NZ IFRS.

#### 5. Employee entitlements

In accordance with NZ IAS 19: *Employee Benefits*, the Department has recognised accumulating sick leave as a liability.

#### 6. Taxpayers' Funds – General Funds

In accordance with NZ IFRS 1: *First-time adoption of NZ equivalents to International Financial Reporting Standards*, adjustments required under transition to NZ IFRS are adjusted directly to equity.

#### 7. Livestock

In accordance with NZ IAS 41: *Agriculture*, the previous revaluation reserve attributable to biological assets is de-recognised and transferred to general funds.





PART C  
STATEMENT OF FORECAST  
SERVICE PERFORMANCE



# DEPARTMENT OF CORRECTIONS

ARA POUTAMA AOTEAROA



## PART C STATEMENT OF FORECAST SERVICE PERFORMANCE CONTENTS



<b>STATEMENT OF FORECAST SERVICE PERFORMANCE</b>	<b>63</b>
- Output Class 1: Information Services	64
- Output Class 2: Community-based Sentences and Orders	69
- Output Class 3: Custody of Remand Prisoners	75
- Output Class 4: Escorts and Custodial Supervision	76
- Output Class 5: Custodial Services	77
- Output Class 6: Prisoner Employment	81
- Output Class 7: Rehabilitative Programmes and Reintegrative Services	84
- Output Class 8: Services to the New Zealand Parole Board	97
- Output Class 9: Policy Advice and Development	98
- Output Class 10: Service Purchase and Monitoring	100

## STATEMENT OF FORECAST SERVICE PERFORMANCE

### OUTPUT CLASS 1 INFORMATION SERVICES

Under this output class the Department provides information requested by the courts and the New Zealand Parole Board to inform their respective decision-making processes. Information provided includes psychological reports, pre-sentence assessment reports, reparation reports, home detention reports and assessments, oral information reports, home leave reports, parole assessment reports, and information for extended supervision orders. Provision of this information contributes to the outcome of 'sentence options are used effectively'.

Proposed legislative changes are currently before Parliament to allow full implementation of the Effective Interventions package. If the changes are passed, from 1 October 2007 the combination and nature of reports may change as new requirements are implemented. Judicial monitoring reports would be provided to the courts, and progress reports would be provided to the New Zealand Parole Board.

The costs under this output class include the time Probation Officers spend preparing reports and attending court hearings.

#### EXPENSES FOR OUTPUT CLASS 1 INFORMATION SERVICES

For the Year Ending 30 June 2008

Outputs in this output class will be provided within the appropriated sum of \$40.240 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2007/08 SOI	40,240	40,240	40,240	-
2006/07 Supp Estimates	36,944	36,944	36,944	-
2006/07 SOI	30,996	30,996	30,996	-



**OUTPUT 1.1: SENTENCING ADVICE TO COURTS**

Reports (remand pre-sentence, reparation including emotional harm, same-day pre-sentence, special purpose and oral information reports) provide the sentencing judge with information on offenders to assist with the sentencing process. This service includes attendance at court, prosecutions, and attendance at sentencing resulting from proceedings initiated by the Department.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Pre-sentence reports prepared for the courts (#)	28,296	31,000	33,600
Court attendance hours (#)	59,846	61,000	65,000

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Pre-sentence reports provided to agreed standards (%)	94%	95%	95%
Written complaints from judges to be no more than (#)	5	15	15
Pre-sentence reports provided within agreed timelines (%)	96%	98%	98%

**OUTPUT 1.2: JUDICIAL MONITORING**

Under the Effective Interventions package, if the necessary legislation changes are passed, judicial monitoring reports would be provided to courts. These reports would contain information on offenders' progress and compliance.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Judicial monitoring reports prepared for the courts (#)	new measure	new measure	TBR <sup>1</sup>

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Judicial monitoring reports provided within agreed timelines (%)	new measure	new measure	95%

1 To be reported (TBR)



### OUTPUT 1.3: PAROLE ADVICE TO THE NEW ZEALAND PAROLE BOARD

Parole assessment reports provide information to the New Zealand Parole Board to assist with decisions regarding a prisoner's release. The information provided on a prisoner includes:

- behaviour while in prison
- progress towards addressing rehabilitative and reintegrative needs
- proposed residence
- potential work
- and any further identified needs that the prisoner should address on release from prison.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Parole assessment reports prepared for the Board (#)	4,575	4,600	4,600

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Parole assessment reports provided to agreed standards (%)	100%	100%	100%

### OUTPUT 1.4: HOME LEAVE REPORTS

Home leave reports, including investigating the suitability of the sponsor and residence, are prepared. The Department has the delegated authority to consider and approve home leave proposals. Likely community reaction to the planned home leave by a prisoner and the suitability of the proposed accommodation are also assessed.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Home leave reports prepared (#)	616	900	500

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Home leave reports provided to agreed standards (%)	96%	98%	98%
Home leave reports provided within agreed timelines (%)	96%	98%	98%

**OUTPUT 1.5: HOME DETENTION ASSESSMENTS TO THE NEW ZEALAND PAROLE BOARD**

Home Detention reports and assessments are prepared for the New Zealand Parole Board. These reports must meet the application criteria including an assessment of the rehabilitative needs of offenders and their suitability to serve their sentence under home detention.

Under the proposed Effective Interventions package, if the necessary legislation changes are passed to allow Home Detention to become a stand-alone sentence imposed by the courts, the Department would expect the number of Home Detention assessments to decrease.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Home Detention specialist reports prepared for the Board (#)	3,013	4,000	1,080

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Home Detention specialist reports provided to agreed standards (%)	97%	98%	98%
Home detention specialist reports provided within agreed timelines (%)	90%	98%	98%

**OUTPUT 1.6: NEW ZEALAND PAROLE BOARD PROGRESS REPORT**

Under the Effective Interventions package, if the necessary legislation changes are passed, the Department would prepare and provide progress reports to the New Zealand Parole Board on an offender's compliance with the conditions of their parole order.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Parole progress reports prepared for the Board (#)	new measure	new measure	TBR

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Parole progress reports provided within agreed timelines (%)	new measure	new measure	98%



### OUTPUT 1.7: PSYCHOLOGICAL SERVICE INFORMATION

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

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Psychological reports prepared for the Board (#)	1,121	1,068 <sup>2</sup>	1,100
Psychological reports prepared for the courts (#)	151	150 <sup>2</sup>	150

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Psychological reports prepared for the Board provided to agreed standards (%)	100%	100%	100%
Psychological reports prepared for the courts provided to agreed standards (%)	100%	100%	100%
Psychological reports prepared for the Board provided within agreed timelines (%)	100%	100%	100%
Psychological reports prepared for the courts provided within agreed timelines (%)	100%	100%	100%

### OUTPUT 1.8: INFORMATION SERVICES FOR EXTENDED SUPERVISION ORDERS

Information on Extended Supervision orders is provided to courts and the New Zealand Parole Board. The Department can apply to the Court for an Extended Supervision order in respect of child-sex offenders who are eligible. Psychological health assessments are completed on these offenders and the outcome of the health assessment determines whether an application for an extended supervision order is made. Applications, which include the relevant health assessments, are made to courts and applications are made to the New Zealand Parole Board to set special conditions for the orders.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Health assessments completed on offenders for whom an Extended Supervision order is considered (#)	96	56	56
Extended Supervision applications prepared for the courts (#)	47	56	56
Applications prepared for the Board for special conditions (#)	46	56	56

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Health assessments provided to agreed standards (%)	100%	100%	100%
Applications prepared for the courts provided to agreed standards (%)	100%	100%	100%
Applications prepared for the Board provided to agreed standards (%)	100%	100%	100%
Health assessments provided within agreed timelines (%)	new measure	100%	100%
Applications prepared for the courts provided within agreed timelines (%)	100%	100%	100%
Applications prepared for the Board provided to agreed standards (%)	100%	100%	100%

2 This forecast was revised as part of the reforecast process.

## OUTPUT CLASS 2 COMMUNITY-BASED SENTENCES AND ORDERS

Under this output class the Department manages the delivery of community-based sentences and orders through offender management and sentence management services. These activities and services contribute to the outcome of 'sentences and orders are complied with'.

Community-based sentences currently include sentences of Supervision and Community Work. Community-based orders currently include Home Detention, parole, Post-release Conditions and Extended Supervision for serious child-sex offenders. Offenders may be subject to more than one sentence or order if a concurrent sentence has been imposed.

Proposed legislative changes are currently before Parliament to allow full implementation of the Effective Interventions package. If the changes are passed, a number of new community-based sentences and orders may become effective from 1 October 2007. Home Detention, currently a means of serving a sentence of imprisonment, may become a stand-alone sentence imposed by the Court, and, at the end of a sentence of imprisonment, Residential Restrictions would be a special condition for offenders released on parole.

Other potential changes include Community Detention, a new electronically-monitored sentence that would restrict an offender to an address under curfew, and Intensive Supervision, a new sentence which would be imposed for any period from six months to two years. In contrast to Supervision, if introduced, Intensive Supervision would provide a higher level of restriction and supervision of an offender, and have a larger, more complex set of special conditions than those currently available under supervision.

### EXPENSES FOR OUTPUT CLASS 2 COMMUNITY-BASED SENTENCES AND ORDERS

For the Year Ending 30 June 2008

Outputs in this output class will be provided within the appropriated sum of \$111.533 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Dept (\$000)
2007/08 SOI	111,533	111,533	110,893	640
2006/07 Supp Estimates	86,872	86,872	85,372	1,500
2006/07 SOI	75,740	75,740	75,040	700



## OUTPUT 2.1: HOME DETENTION ORDERS

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

Under the Effective Interventions package and the proposed new sentencing structure, if the necessary legislation changes are passed, from 1 October 2007 offenders sentenced to imprisonment would no longer be able to apply for orders of Home Detention. Offenders serving a prison sentence as at 1 October 2007 would still be eligible to apply for a Home Detention order.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Offenders commencing a home detention order (#)	1,293	2,200	720

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Offenders who abscond from home detention to be no more than (%)	1%	2%	2%
Average home detention orders being served (#)	new measure	new measure	TBR
Offenders who successfully complete a home detention order (%)	new measure	new measure	80%

## OUTPUT 2.2: HOME DETENTION SENTENCES

Under the new sentencing structure proposed in the Effective Interventions package, if the necessary legislation changes are passed, Home Detention sentences would be imposed by the courts as of 1 October 2007. This sentence would replace Home Detention orders, which are currently only available to offenders sentenced to imprisonment.

Home Detention sentences would be a stand alone-sentence which would take effect immediately when imposed. Under the conditions of this sentence, the offender would reside at home under strict conditions and with monitoring of these conditions. Offenders may also be required to undertake a rehabilitation programme, reintegration service or counselling that addresses their offending.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Offenders commencing a home detention sentence (#)	new measure	new measure	1,950
Average home detention sentences being served (#)	new measure	new measure	810 <sup>3</sup>

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Offenders who successfully complete a home detention sentence (%)	new measure	new measure	80%

<sup>3</sup> Actual results may be lower than this due to phasing in of the sentence.

**OUTPUT 2.3: COMMUNITY DETENTION SENTENCES**

Under the new sentencing structure proposed in the Effective Interventions package, if the necessary legislation changes are passed, the Department would ensure that offenders sentenced to Community Detention comply with the curfew periods imposed by the courts. Offenders on community detention would be electronically monitored and required to remain at a specific address during curfew times.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Offenders commencing a community detention sentence (#)	new measure	new measure	1,900
Average community detention sentences being served (#)	new measure	new measure	466 <sup>4</sup>

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Offenders who successfully complete a community detention sentence (%)	new measure	new measure	65%

**OUTPUT 2.4: INTENSIVE SUPERVISION SENTENCES**

Under the new sentencing structure proposed in the Effective Interventions package, if the necessary legislation changes are passed, the Department would ensure that offenders sentenced to Intensive Supervision report regularly to their Probation Officer and, if ordered by the court, fulfill special conditions that address the reasons for their offending. Intensive Supervision may include in-depth, focused interventions such as programmes (including residential programmes), training in basic work and living skills, residence approval and judicial monitoring that addresses their offending. This sentence would provide a higher level of restriction and supervision of an offender and have a larger and more complex set of special conditions than those currently available under the Supervision sentence.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Offenders commencing an intensive supervision sentence (#)	new measure	new measure	1,400
Average intensive supervision sentences being served (#)	new measure	new measure	1,350 <sup>4</sup>

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Offenders who successfully complete an intensive supervision sentence (%)	new measure	new measure	65%

<sup>4</sup> Actual results may be lower than this due to phasing in of the sentence.



## OUTPUT 2.5: SUPERVISION SENTENCES

The Department ensures that offenders sentenced to Supervision report regularly to their Probation Officer and, if ordered by the court, fulfill special conditions that will address the reasons for their offending. Supervision may include focused interventions such as rehabilitative programmes, reintegration services or counselling that addresses their offending. Volumes of Supervision sentences would be expected to reduce after 1 October 2007 if the changes under the Effective Interventions package are passed, as some offenders would be sentenced to Intensive Supervision as an alternative sentencing option.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Offenders commencing a supervision sentence (#)	5,565	5,000	4,800
Average supervision sentences being served (#)	new measure	new measure	3,800

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Offenders who successfully complete a supervision sentence (%)	new measure	new measure	65%

## OUTPUT 2.6: COMMUNITY WORK SENTENCES

The Department ensures that an offender sentenced to Community Work completes the sentenced number of hours work within the community. Community work provides for reparation to the community. The type of community work that can be performed is specified in the Sentencing Act 2002. Under the new sentencing structure proposed in the Effective Interventions package, if the necessary legislation changes are passed, some sentenced hours may be able to be converted to basic work and living skills training.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Offenders commencing a community work sentence (#)	28,400	29,000	31,000
Average community work sentences being served (#)	new measure	new measure	19,400
Total community work hours served (#)	new measure	new measure	3,810,000
Community work sentence hours converted to basic work and living skills training (#)	new measure	new measure	TBR

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Offenders who successfully complete a community work sentence (%)	74%	70%	70%



**OUTPUT 2.7: PAROLE ORDERS**

The Department administers parole orders imposed by the New Zealand Parole Board. This includes the Probation Officer meeting regularly and working closely with an offender subject to a parole order, and ensuring that special conditions imposed by the Board are complied with.

Under the new sentencing structure proposed in the Effective Interventions package, if the necessary legislation changes are passed, the New Zealand Parole Board may impose residential restrictions on an offender as one of the conditions of the order of parole.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Offenders commencing a parole order (#)	1,244	1,100	1,400
Average parole orders being served (#)	new measure	new measure	1,650

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Offenders who successfully complete a parole order (%)	new measure	new measure	65%

**OUTPUT 2.8: ORDERS FOR POST-RELEASE CONDITIONS**

The Department administers post-release conditions for prisoners with short sentences, as imposed by the judiciary at the time of sentencing. The offender's conditions are monitored by a Probation Officer.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Offenders released on post-release conditions (#)	4,819	5,250	4,000
Average orders for post-release conditions being served (#)	new measure	new measure	3,900

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Offenders who successfully complete orders for post-release conditions (%)	new measure	new measure	65%



## OUTPUT 2.9: ORDERS FOR POST-DETENTION CONDITIONS

Under the new sentencing structure proposed in the Effective Interventions package, if the necessary legislation changes are passed, the Department would administer post-detention conditions imposed by the court for offenders sentenced to Home Detention. The offender's conditions would be monitored by a Probation Officer for the term imposed by the court.

	Actual 2005/06	Forecast 2006/07	Forecast 2007/08
<b>Expected Demand</b>			
Offenders released on post-detention conditions (#)	new measure	new measure	2,500
Average orders for post-detention conditions being served (#)	new measure	new measure	830 <sup>5</sup>

	Actual 2005/06	Target 2006/07	Target 2007/08
<b>Performance Measures</b>			
Offenders who successfully complete orders for post-detention conditions (%)	new measure	new measure	65%

## OUTPUT 2.10: EXTENDED SUPERVISION ORDERS

The Department administers Extended Supervision orders imposed by the court, with conditions set by the New Zealand Parole Board to actively manage the long-term risks posed by high-risk child-sex offenders in the community. The order can apply for up to 10 years following a finite term of imprisonment and is monitored by a Probation Officer.

	Actual 2005/06	Forecast 2006/07	Forecast 2007/08
<b>Expected Demand</b>			
Offenders commencing an extended supervision order (#)	45	56	56
Average extended supervision orders being served (#)	new measure	new measure	224

	Actual 2005/06	Target 2006/07	Target 2007/08
<b>Performance Measures</b>			
Offenders serving extended supervision orders who are eligible and have met the criteria for sentencing planning, who have a plan prepared and managed according to agreed standards (%)	97%	100%	100%

<sup>5</sup> Actual results may be lower than this due to phasing in of the order.

## OUTPUT CLASS 3 CUSTODY OF REMAND PRISONERS

Under this output class the Department provides custodial services in a safe, secure and humane environment for remand prisoners. Remand prisoners are people charged with offences and people convicted but not yet sentenced.

The cost of this output class includes the cost of accommodation, supervision, security, food and medical care.

Services provided under this output class contribute to the outcomes of 'sentences and orders are complied with' and 'offenders are managed safely and humanely'.

### EXPENSES FOR OUTPUT CLASS 3 CUSTODY OF REMAND PRISONERS

For the Year Ending 30 June 2008

Outputs in this output class will be provided within the appropriated sum of \$123.895 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2007/08 SOI	123,895	123,895	123,895	-
2006/07 Supp Estimates	107,578	107,578	107,578	-
2006/07 SOI	95,178	95,178	95,178	-

### OUTPUT 3.1: CUSTODY OF REMAND PRISONERS

The Department provides for the safe, secure and humane confinement of remand prisoners (accused and convicted) in a custodial environment.

	Actual 2005/06	Forecast 2006/07	Forecast 2007/08
<b>Expected Demand</b>			
Average remand prisoner population (#)	1,397 <sup>6</sup>	1,633	1,661 <sup>7</sup>
• Male	n/a	1,509	1,539
• Female	n/a	95	100
• Youth	n/a	29	22

<sup>6</sup> Includes those prisoners held in Police and court cells.

<sup>7</sup> Derived from the 2006 Justice Sector Prison Population Forecast.



## OUTPUT CLASS 4 ESCORTS AND CUSTODIAL SUPERVISION

Under this output class the Department provides for services to transport prisoners in a safe, secure and humane environment to and from court, and their supervision while at court. Services provided within this output class contribute to the outcomes of 'sentences and orders are complied with' and 'offenders are managed safely and humanely'.

The cost of this output class includes the time Corrections Officers spend attending court hearings.

### EXPENSES FOR OUTPUT CLASS 4 ESCORTS AND CUSTODIAL SUPERVISION

For the Year Ending 30 June 2008

Outputs in this output class will be provided within the appropriated sum of \$10.967 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2007/08 SOI	10,967	10,967	10,967	-
2006/07 Supp Estimates	9,972	9,972	9,972	-
2006/07 SOI	9,054	9,054	9,054	-

### OUTPUT 4.1: ESCORT SERVICES

Remand and sentenced prisoners are escorted to and from court safely, securely and humanely.

	Actual 2005/06	Forecast 2006/07	Forecast 2007/08
<b>Expected Demand</b>			
Prisoners escorted (#)			
• Northland/Auckland (including Police escorts) <sup>8</sup>	37,294	29,760 <sup>10</sup>	37,440
• Remainder of New Zealand <sup>9</sup>	8,686	9,000	9,000

### OUTPUT 4.2: COURTROOM CUSTODIAL SUPERVISION SERVICES

Remand and sentenced prisoners are supervised while at court safely, securely and humanely.

	Actual 2005/06	Forecast 2006/07	Forecast 2007/08
<b>Expected Demand</b>			
Prisoners supervised in courts (#)			
• Northland/Auckland <sup>8</sup>	9,520	7,440 <sup>10</sup>	9,360
• Remainder of New Zealand <sup>9</sup>	9,326	10,250	10,250

<sup>8</sup> Provided by Chubb New Zealand Limited.

<sup>9</sup> Provided by the Public Prisons Service.

<sup>10</sup> This forecast was revised as part of the reforecast process.

## OUTPUT CLASS 5 CUSTODIAL SERVICES

Under this output class the Department provides custodial services and administers custodial sentences in a safe, secure and humane environment for all offenders sentenced to imprisonment.

The cost of this output class includes the cost of accommodation, supervision, security, sentence management, food and medical care.

Services provided under this output class contribute to the outcomes of 'sentences and orders are complied with' and 'offenders are managed safely and humanely'.

### EXPENSES FOR OUTPUT CLASS 5 CUSTODIAL SERVICES FOR SENTENCED PRISONERS

For the Year Ending 30 June 2008

Outputs in this output class will be provided within the appropriated sum of \$506.001 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Dept. (\$000)
2007/08 SOI	506,001	506,001	500,472	5,529
2006/07 Supp Estimates	436,586	436,586	431,057	5,529
2006/07 SOI	425,556	425,556	420,027	5,529



### OUTPUT 5.1: MAXIMUM SECURITY MALE PRISONERS

The Department provides for the safe, secure and humane confinement of maximum security adult male prisoners who have a 'CB' security classification based on an assessment of internal and external risk.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Average maximum security prisoner population (#)	68	61	64 <sup>11</sup>

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Prisoners who are eligible and have met the criteria for sentencing planning, who have a plan prepared within agreed timelines (%)	85%	100%	95%

### OUTPUT 5.2: MEDIUM SECURITY MALE PRISONERS

The Department provides for the safe, secure and humane confinement of medium security adult male prisoners who have either 'BB' or 'AB' security classifications based on an assessment of internal and external risk.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Average medium security prisoner population (#)	2,721 <sup>12</sup>	2,643	2,714 <sup>11</sup>

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Prisoners who are eligible and have met the criteria for sentencing planning, who have a plan prepared within agreed timelines (%)	86%	100%	95%

<sup>11</sup> Derived from the 2006 Justice Sector Prison Population Forecast.

<sup>12</sup> Includes those prisoners who are held in Police and court cells.

**OUTPUT 5.3: MINIMUM SECURITY MALE PRISONERS**

The Department provides for the safe, secure and humane confinement of minimum security adult male prisoners who have a 'AA' security classification based on an assessment of internal and external risk.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Average minimum security prisoner population (#)	2,756 <sup>13</sup>	2,745 <sup>14</sup>	2,790 <sup>15</sup>
	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Prisoners who are eligible and have met the criteria for sentencing planning, who have a plan prepared within agreed timelines (%)	91%	100%	95%

**OUTPUT 5.4: FEMALE PRISONERS**

The Department provides for the safe, secure and humane confinement of female sentenced prisoners.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Average medium security prisoner population (#)	114 <sup>13</sup>	104	113 <sup>15</sup>
Average minimum security prisoner population (#)	236 <sup>13</sup>	214	223 <sup>15</sup>
	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Prisoners who are eligible and have met the criteria for sentencing planning, who have a plan prepared within agreed timelines (%)	75%	100%	95%

<sup>13</sup> Includes those prisoners who are held in Police and court cells.

<sup>14</sup> This forecast was revised as part of the reforecast process.

<sup>15</sup> Derived from the 2006 Justice Sector Prison Population Forecast.



### OUTPUT 5.5: MALE YOUTH PRISONERS

The Department provides for the safe, secure and humane confinement of sentenced male youth prisoners less than 18 years of age and vulnerable 18 - 19 year olds in Young Offenders Units.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Average medium security prisoner population (#)	new measure	82	76 <sup>16</sup>
Average minimum security prisoner population (#)	new measure	50	52 <sup>16</sup>

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Prisoners who are eligible and have met the criteria for sentencing planning, who have a plan prepared within agreed timelines (%)	92%	100%	95%

### OUTPUT 5.6: CRIME PREVENTION

The Department identifies drug users in prisons through the administration of three random drug screening programmes and other drug screening tests. Drug control activities, drug dog services and checkpoints aim to reduce the availability of drugs and contraband.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
General random drug screening tests taken (#)	3,423	3,744	3,744
Random drug screening tests taken from prisoners returning from temporary release (#)	313	364	364
Random drug screening tests taken from prisoners who are identified drug users (#)	1,961	2,340	2,340
Other drug screening tests taken (#) <sup>17</sup>	6,020	5,638	5,638

<sup>16</sup> Derived from the 2006 Justice Sector Prison Population Forecast.

<sup>17</sup> Other drug screening tests are defined as those undertaken on reasonable grounds or on a voluntary basis.



## OUTPUT CLASS 6 PRISONER EMPLOYMENT

Under this output class the Department provides prisoners with the opportunity to gain recognised qualifications and work experience through a range of employment-related activities and training.

A diverse range of structured activities is available including catering, forestry, grounds maintenance, farming and manufacturing. Release-to-work opportunities are also provided to eligible prisoners.

These activities improve prisoners' chances of obtaining sustainable employment following release, thereby contributing to the outcome of 're-offending is reduced'.

### EXPENSES FOR OUTPUT CLASS 6 PRISONER EMPLOYMENT

For the Year Ending 30 June 2008

Outputs in this output class will be provided within the appropriated sum of \$38.395 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2007/08 SOI	38,395	38,395	12,397	25,998
2006/07 Supp Estimates	39,786	39,786	11,788	27,998
2006/07 SOI	34,063	34,063	8,065	25,998



### OUTPUT 6.1: PRISON-BASED WORK

This output covers the provision of employment, on-the-job training and assessment of NZQA units to prisoners in:

- land-based activities such as farming and forestry.
- manufacturing activities such as joinery and light engineering.
- internal service activities such as prison catering and grounds maintenance.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Average prisoners employed in prison-based work(#)	new measure	new measure	3748
Total hours prisoners are employed in prison-based work (#)	new measure	new measure	5,374,206

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
NZQA unit standard credit achieved per eligible prisoner employed in prison-based work(#)	new measure	new measure	TBR

### OUTPUT 6.2: RELEASE-TO-WORK

This output covers the release of eligible prisoners during the day to work for private sector employers as ordinary employees. This supports their reintegration back into the community.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Average prisoners on release-to-work activities (#)	new measure	new measure	142
Total hours prisoners are employed on release-to-work activities (#)	39,665	112,800	164,211

**OUTPUT 6.3: VOCATIONAL TRAINING**

This output covers the provision of all employment-related training other than on-the-job training.

For some activities, the successful completion of the training results in an externally recognised qualification.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total prisoners commencing training (#)	1,627	1,624	1,710
Total hours prisoners are engaged in training (#)	new measure	41,010	33,072

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
NZQA credits achieved per eligible prisoner engaged in training (#)	new measure	new measure	TBR

**OUTPUT 6.4: COMMUNITY SERVICES**

Prisoners are involved in activities benefiting local communities. Prisoners nearing their release date and who meet eligibility criteria, work outside the prison boundaries during the day in supervised work parties.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Average prisoners employed in community service activities (#)	40	68	68
Total hours prisoners are employed in community service activities (#)	32,992	68,000	68,000



## OUTPUT CLASS 7

### REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

Under this output class the Department provides rehabilitation and reintegration services to offenders serving both custodial and community-based sentences and orders. These services include:

- responsivity programmes to improve offenders' motivation to address the causes of their criminal offending
- rehabilitation programmes to address the causes of criminal offending. Assessment tools determine programme eligibility according to an offenders' criminogenic needs, responsivity and risk of re-offending
- reintegrative services to prepare for an offender's release into the community, including support for families / whānau. Emphasis is placed on services that reinforce and sustain behavioural changes by building up basic skills that support reintegration into the community
- specialist psychological services, including psychological treatment of offenders.

Activities under this output class mainly contribute to the outcome of 're-offending is reduced'. The provision of psychological services also contributes to the outcome of 'offenders are managed safely and humanely'.

### EXPENSES FOR OUTPUT CLASS 7 REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

For the Year Ending 30 June 2008

Outputs in this output class will be provided within the appropriated sum of \$50.835 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2007/08 SOI	50,835	50,835	50,835	-
2006/07 Supp Estimates	47,489	47,489	47,489	-
2006/07 SOI	47,239	47,239	47,239	-

## OUTPUT 7.1: RESPONSIVITY/MOTIVATIONAL PROGRAMMES

The Department delivers short motivational programmes, Tikanga Māori and faith-based programmes. Attendance at these programmes improves an offender's responsivity or motivation to address identified criminogenic needs. Specific programmes include:

- Short motivational programmes, which are delivered to medium-risk short-serving sentenced prisoners (those sentenced to less than two years). These programmes are a structured four session intervention, based on the therapeutic techniques of motivational interviewing. They are designed to be delivered to individual offenders by a single facilitator.
- Tikanga Māori programmes, which are delivered to community-based offenders and sentenced prisoners (including youth in Young Offenders Units). These programmes are designed to use Māori philosophy, values, knowledge and practices to increase motivation for offenders to address their offending behaviour.
- Christian-based programmes are delivered in the Faith-based Unit at Rimutaka Prison.

### SHORT MOTIVATIONAL PROGRAMMES

A short motivational programme is a low-intensity, one-on-one programme for prisoners sentenced to less than two years in prison. It is designed to motivate prisoners to understand their offending and learn how to make positive changes in their attitudes and behaviour.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total prisoners who start a short motivational programme (#)	new measure	100 <sup>18</sup>	200
Total hours prisoners spend attending a short motivational programme (#)	new measure	400 <sup>18</sup>	600

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Prisoners who complete a short motivational programme (%)	new measure	65%	75%

<sup>18</sup> This forecast was revised as part of the reforecast process.



## TIKANGA MĀORI PROGRAMMES

Tikanga Māori programmes are motivational programmes designed to develop a sense of awareness and responsibility for an offenders behaviour and its impact on themselves, their whānau, hapū and iwi. Tikanga Māori programmes equip participants with a willingness and motivation to address their rehabilitation specifically focusing on regeneration of Māori identity and Māori practices.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total offenders who start a Tikanga Māori programme (#)			
• Prisoners	991	1,053	1,053
• Community-based offenders	632	523	889
Total hours offenders spend attending a Tikanga Māori programme (#)			
• Prisoners	new measure	new measure	56,862
• Community-based offenders	new measure	new measure	40,500

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Offenders who complete a Tikanga Māori programme (%)			
• Prisoners	93%	90%	90%
• Community-based offenders	70%	65%	65%

## FAITH-BASED UNIT

The Faith-based Unit is structured around Christian values. The core modules include personal value and purpose, transformation, restoration and reintegration. The programme is available for minimum security prisoners generally in the last 18 months of their sentence who have a desire to explore Christianity.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Average prisoners engaged in faith-based programmes (#)	new measure	new measure	60
Total hours prisoners spend attending a faith-based programme (#)	new measure	16,048 <sup>19</sup>	17,820

	ACTUAL	TARGET	TARGET
PERFORMANCE MEASURES	2005/06	2006/07	2007/08
Prisoners who complete a module at the Faith-based Unit (%)	new measure	90%	90%

<sup>19</sup> This forecast was revised as part of the reforecast process.

## OUTPUT 7.2: SPECIAL TREATMENT UNITS

The following programmes are delivered in prison and are aimed at addressing an offender's criminogenic needs.

Programmes include:

- sex offender treatment programmes, for prisoners convicted of sex offending against children. The programmes include special treatment units at Kia Marama in Christchurch Prison and Te Piriti in Auckland Prison
- violence prevention programmes, including the delivery of group-based treatment to violent offenders in the male Violence Prevention Unit at Rimutaka Prison and the Pacific violence prevention programme
- drug treatment 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
- intensive criminogenic programmes delivered in a dedicated prison unit for high-risk offenders.

### SEX OFFENDER TREATMENT PROGRAMMES

Sex offender treatment programmes provide treatment for adult sex offenders who offend against children. These programmes aim to reduce the risk of re-offending by addressing major treatment issues of child-sex offenders. Offenders participating in the programme attend group therapy and individual therapy. It operates from the cognitive behavioural model targeting areas which lead to sex offending and provides offenders with skills to manage ongoing risk.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total prisoners who start a sex offender treatment programme (#)	87	80	80
Total hours prisoners spend attending a sex offender treatment programme (#)	26,074	25,000	25,000

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Prisoners who complete a sex offender treatment programme (%)	new measure	95%	95%
Programmes completed where required components were completed (%)	100%	100%	100%

### VIOLENCE PREVENTION PROGRAMMES

Violence prevention programmes teach offenders the skills needed to live without violence, such as controlling violent impulses and conflict resolution. The programme is designed for men who have committed serious violent offences.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total prisoners who start a violence prevention programme (#)	30	30	30
Total hours prisoners spend attending violence prevention programmes (#)	8,714	7,700	7,700

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Prisoners who complete a violence prevention programme (%)	73%	70%	70%



## DRUG TREATMENT PROGRAMMES

These programmes are provided at Arohata, Waikeria and Christchurch Men's Prisons with two new units opening at Hawke's Bay and Rimutaka Prisons. The programme is delivered in a therapeutic community to address prisoners' alcohol and substance abuse problems. The programme is for 24 weeks.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total prisoners who start a substance abuse programme in a drug treatment unit (#)	new measure	132	327
Total hours prisoners spend attending substance abuse programmes in a drug treatment unit (#)	new measure	61,689	44,145

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Prisoners who complete a substance abuse programme (%)	new measure	75%	75%

## INTENSIVE CRIMINOGENIC PROGRAMMES

The intensive criminogenic programme is for high-risk male offenders. It is based upon the principles of risk, needs and responsivity, cognitive behavioural, dialectical behaviour therapy and relapse prevention theories.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total prisoners who start an intensive criminogenic programme (#)	new measure	10 <sup>20</sup>	20
Total hours prisoners spend attending an intensive criminogenic programme (#)	new measure	1,300 <sup>20</sup>	4,500

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Prisoners who complete an intensive criminogenic programme (%)	new measure	75%	75%

<sup>20</sup> This forecast was revised as part of the reforecast process.



### OUTPUT 7.3: MEDIUM-INTENSITY REHABILITATION PROGRAMMES

Programmes are delivered that address an offenders criminogenic needs, either in prison or the community. Programmes include:

- medium-intensity rehabilitation programmes, including structured rehabilitation programmes
- Māori therapeutic programmes delivered in Māori Focus Units and at the Northland Regional Corrections Facility
- relapse prevention programmes for those offenders who complete medium-intensity multiple needs and intensive criminogenic programmes, as well as violence prevention programmes and Māori therapeutic programmes
- FOCUS programmes.

#### MĀORI THERAPEUTIC PROGRAMMES

Māori therapeutic programmes are criminogenic programmes that integrate cognitive behavioural therapy and Tikanga Māori concepts to facilitate change in the offending behaviour of Māori offenders. Māori therapeutic programmes build on tikanga as a means of increasing responsivity and will address a range of needs.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total prisoners who start a Māori therapeutic programme (#)	137	140	140
Total hours prisoners spend attending Māori therapeutic programmes (#)	12,117	12,600	11,200

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Prisoners who complete a Māori therapeutic programme (%)	58%	80%	80%

#### RELAPSE PREVENTION PROGRAMMES

Relapse prevention groups are for offenders who have completed high-intensity and medium-intensity programmes. Relapse prevention groups are designed to promote safe behaviour by providing a forum for review of post-release developments and treatment maintenance.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total offenders who start a relapse prevention programme (#)	new measure	350	350



## OTHER REHABILITATIVE PROGRAMMES

These rehabilitative programmes include the:

- Medium Intensity Rehabilitation Programme: this programme is designed to help offenders examine the causes of their offending and develop specific skills to prevent them re-offending.
- Short Rehabilitation Programme: this programme is designed to help offenders gain a detailed understanding of their offending pattern and develop specific skills to prevent relapse.
- Saili Matagi Programme: this programme is a violence prevention programme specifically for Pacific adult male offenders. It combines a Pacific cultural model with Western group therapy, and aims to help Pacific men change their violent behaviour.

Expected Demand	Actual 2005/06	Forecast 2006/07	Forecast 2007/08
Total offenders who start a rehabilitative programme (#)			
• Prisoners	new measure	462 <sup>21</sup>	512
• Community-based offenders	539	370 <sup>21</sup>	508
Total hours offenders spend attending a rehabilitative programme (#)			
• Prisoners	new measure	35,734 <sup>21</sup>	51,824
• Community-based offenders	34,290	19,241 <sup>21</sup>	29,985

Performance Measures	Actual 2005/06	Target 2006/07	Target 2007/08
Offenders who complete a rehabilitation programme (%)			
• Prisoners	new measure	75%	75%
• Community-based offenders	65%	65%	65%

<sup>21</sup> This forecast was revised as part of the reforecast process.

## FOCUS PROGRAMMES

The FOCUS programme helps young offenders to acknowledge their offending, understand themselves better, learn how to break their offending cycle, learn how to cope with uncomfortable or negative feelings and practice using skills to get on better with others.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total young offenders who start a FOCUS programme (#)	189	145	145
Total hours young offenders spend attending a FOCUS programme (#)	new measure	new measure	4,850

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Young offenders assessed as appropriate to attend a programme who participate in a programme (%)	67%	98%	98%

## OUTPUT 7.4: OTHER REHABILITATIVE PROGRAMMES AND ACTIVITIES

Community-based rehabilitative programmes are delivered by external providers and are designed to address the underlying causes of re-offending:

- sex offender treatment programmes
- domestic violence programmes
- alcohol and drug programmes.

### SEX OFFENDER TREATMENT PROGRAMMES

Sex offender treatment programmes are provided by external providers across New Zealand. These programmes provide treatment for adult sex offenders who offend against children, and adolescents who have sexually abused. The treatment programmes aim to reduce the risk of re-offending by addressing major issues.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total offenders who start a sex offender treatment programme (#)	new measure	new measure	TBR

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Offenders who complete a sex offender treatment programme (%)	new measure	new measure	TBR



## DOMESTIC VIOLENCE TREATMENT PROGRAMMES

Domestic violence prevention programmes teach offenders the skills needed to live without violence, such as controlling violent impulses and conflict resolution. The Department refers offenders to external programme providers who are accredited under the Domestic Violence Act 1995.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total offenders who start a domestic violence treatment programme (#)	new measure	new measure	TBR

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Offenders who complete a domestic violence treatment programme (%)	new measure	new measure	TBR

## ALCOHOL AND DRUG TREATMENT PROGRAMMES <sup>22</sup>

Community-based alcohol and drug treatment programmes are provided by a number of external providers across New Zealand. These programmes are suitable for offenders with a history of serious substance abuse identified as contributing to their offending.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total offenders who start a community-based alcohol and drug treatment programme (#)	new measure	new measure	TBR

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Offenders who complete a community-based alcohol and drug treatment programme (%)	new measure	new measure	TBR

## OUTPUT 7.5: EDUCATION

The Department seeks to improve the education standards of prisoners through the provision of foundation learning (literacy, numeracy, ESOL) and secondary school education that improve education skills and ability to gain employment after release.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total prisoners commencing education (#)	new measure	new measure	3,862
Total hours prisoners are engaged in education (#)	new measure	new measure	274,866

<sup>22</sup> Corrections also refers offenders to Ministry of Health provided community-based non-residential alcohol and drug programmes. Corrections is working with the Ministry of Health to consider the need and options for improvement in the provision of these community-based programmes.

## OUTPUT 7.6: REINTEGRATION INTERVENTIONS

Reintegrative services are provided to offenders and their families/whānau in order to facilitate the transition from prison to the community, or to assist community-based offenders fulfil the conditions of their sentence or order. Reintegrative needs may include accommodation and employment, financial management, relationship management, community support, victim related issues, and health care.

Reintegration services are delivered by prison-based reintegration teams that include caseworkers, social workers and family/whānau liaison workers. The reintegration teams work collectively with other government agencies and non-government organisations that may be contracted by the Department or serve on a voluntary basis.

### REINTEGRATIVE PROGRAMMES

Living skills and parenting skills programmes aim to improve prisoners' social/life skills and improve prisoners' abilities to safely and effectively parent.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Total prisoners who start a reintegrative programme (#)	new measure	662	960
Total hours prisoners spend attending a reintegrative programme (#)	24,587	36,933	27,648

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Prisoners who complete a reintegrative programme (%)	new measure	90%	90%

### REINTEGRATIVE SERVICES PROVIDED BY THE NEW ZEALAND PRISONERS' AID AND REHABILITATION SOCIETY

The Department's main contracted reintegrative service provider is the New Zealand Federation of Prisoners' Aid and Rehabilitation Societies Incorporated (NZPARS). Services provided by NZPARS cover the period from pre-sentence to post-release, and include the coordination and/or delivery of reintegrative services. Services provided may include information, advice and practical assistance, emotional support, development of self management skills, and coaching.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Support service hours provided (#)	42,236	42,248	45,000
Referrals to NZPARS for reintegrative services (#)	new measure	24,000	25,000

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Referrals to NZPARS for reintegrative services acknowledged within five working days of receipt (%)	100%	95%	95%



## SUPPORTED ACCOMMODATION SERVICES

The Supported Accommodation services operate in Auckland, Wellington and Christchurch and provides much needed accommodation and other reintegrative services to released prisoners and offenders on community-based sentences or orders.

The service targets offenders with high level reintegrative needs and who intend to reside in these areas but have no suitable accommodation. The Department ensures the offenders are suitable for the property, and that they meet their conditions of release or sentence.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Offenders participating in a Supported Accommodation service (#)	8	40	120

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Offenders who complete a Supported Accommodation service and gain longer-term independent accommodation (%)	100%	65%	65%

## OUTPUT 7.7: COMMUNITY RESIDENTIAL CENTRES

Community Residential Centres (CRCs) provide a residential programme in a community-based reintegrative and structured environment. The objective is to resettle offenders back into the community through rehabilitation programmes and reintegrative services that aim to reduce the likelihood of further offending. There are three centres currently in operation nationwide; Montgomery House in Hamilton, Te Ihi Tū in New Plymouth, the Salisbury Street Foundation in Christchurch. As part of the Department's contractual agreement, psychological services are provided to offenders attending Montgomery House.

**Montgomery House** provides a residential treatment programme for men who have repeatedly committed serious violent offences. It works on the premise that offenders can learn pro-social skills after they have accepted responsibility for their violence, and rejected violence as an appropriate way to behave. Montgomery House runs four 10-week programmes throughout the year and can accommodate up to 11 offenders per programme.

**Te Ihi Tū** is a residential programme that provides rehabilitative and reintegrative services for male offenders. The programme is aimed at men who are committed to living crime-free, but who do not have the skills, knowledge, understanding, or support to change their way of life. Te Ihi Tū runs three 13-week programmes per year for up to eight offenders per programme.

**Salisbury Street Foundation** provides a residential programme for men who have spent substantial time in the criminal justice system. The programme aims to prevent further offending and to facilitate safe reintegration into the community by providing vocational, recreational and educational skills, and by confronting inappropriate behaviour in a secure environment. The programme differs from the programmes run by other Community Residential Centres in that it is an open programme that can last between 6 and 24 months depending on an individual offender's rehabilitative needs. Offenders must complete specified objectives during the course of the programme in order to successfully complete.

	Actual 2005/06	Forecast 2006/07	Forecast 2007/08
<b>Expected Demand</b>			
Offenders who start a programme (#)			
• Montgomery House	new measure	new measure	40
• Te Ihi Tū	new measure	new measure	24
• Salisbury Street Foundation	new measure	new measure	8
Psychologist hours provided to Montgomery House (#)	916	900 <sup>23</sup>	900

	Actual 2005/06	Target 2006/07	Target 2007/08
<b>Performance Measures</b>			
Offenders who successfully complete a programme (#)			
• Montgomery House	new measure	new measure	TBR
• Te Ihi Tū	new measure	new measure	TBR
Average occupancy at Montgomery House (#)	new measure	new measure	12
Post-programme assessments for Montgomery House programmes completed by a psychologist (%)	100%	100%	100%

23 This forecast was revised as part of the reforecast process.



## OUTPUT 7.8: PSYCHOLOGICAL SERVICES

### PSYCHOLOGICAL SERVICES

Specialist psychologist treatment services are provided to offenders serving both custodial and community-based sentences. This includes the provision of reports resulting from the referral, assessment and treatment of offenders serving custodial sentences, and of professional training and supervision relating to the delivery of responsivity / motivational and rehabilitative programmes.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Psychological consultation hours provided (#)			
• Prisons	12,293	10,500	13,790
• Community probation services	11,048	11,868	13,994
Psychological reports provided (#)			
• Prisons	1,232	885	1,033
• Community probation services	1,197	916	916

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Psychological consultations that meet the agreed standards (%)	100%	95%	95%
Psychological reports that meet the agreed standards (%)	100%	95%	95%

### BICULTURAL THERAPY

The Bicultural Therapy Model increases responsivity to Māori needs by enabling both Tikanga Māori and western psychology for self-development and whānau healing.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Māori offenders who receive treatment under the Bicultural Therapy Model (#)	new measure	TBR	350
Hours provided by Māori service providers under the Bicultural Therapy Model (#)	3,933	4,000	4,000

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Māori service providers who comply with the agreed standards when delivering consultation hours under the Bicultural Therapy Model (%)	100%	100%	100%



## OUTPUT CLASS 8 SERVICES TO THE NEW ZEALAND PAROLE BOARD

Under this output class the Department provides funding for, and administrative services to the New Zealand Parole Board. This assists the New Zealand Parole Board to meet its independent statutory responsibilities.

Services provided within this output class contribute to the outcomes of 're-offending is reduced', 'sentences and orders are complied with' and 'sentence options are used effectively'.

### EXPENSES FOR OUTPUT CLASS 8 SERVICES TO THE NEW ZEALAND PAROLE BOARD

For the Year Ending 30 June 2008

Outputs in this output class will be provided within the appropriated sum of \$5.708 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2007/08 SOI	5,708	5,708	5,708	-
2006/07 Supp Estimates	5,704	5,704	5,704	-
2006/07 SOI	5,488	5,488	5,488	-

### OUTPUT 8.1: ADMINISTRATIVE SERVICES TO THE NEW ZEALAND PAROLE BOARD

This output involves the provision of administrative services to the New Zealand Parole Board.

	Actual 2005/06	Forecast 2006/07	Forecast 2007/08
<b>Expected Demand</b>			
Hearings by the New Zealand Parole Board (#)	8,745	8,900	10,707

	Actual 2005/06	Target 2006/07	Target 2007/08
<b>Performance Measures</b>			
Cases scheduled to be heard by the Board that are scheduled within the timeline specified in the Parole Act 2002 (%)	n/a	100%	100%
Offenders who are entitled to a hearing who receive a hearing (%)	new measure	100% <sup>24</sup>	100%
Offenders notified of an impending hearing within the agreed timelines (%)	new measure	100% <sup>24</sup>	100%
Victims notified of an impending hearing within the agreed timelines (%)	new measure	100% <sup>24</sup>	100%
Offenders notified of a Board decision within the agreed timelines (%)	new measure	new measure	100%
Victims notified of a Board decision within the agreed timelines (%)	new measure	new measure	100%

<sup>24</sup> This measure was added as part of the reforecast process.



## OUTPUT CLASS 9

### POLICY ADVICE AND DEVELOPMENT

Under this output class the Department provides advice and develops policies that contribute to improving service delivery, including policies that improve outcomes for Māori and Pacific peoples, and the development of effective criminal justice sector legislation. Services also include the development of service standards, the analysis of trends in the offender population, and the evaluation of the impact of programmes to reduce re-offending.

Also included in this output class are functions such as responding to ministerial correspondence and parliamentary questions, Official Information Act requests, and requests from the Office of the Ombudsmen.

Activities within this output class contribute to the full range of outcomes.

#### EXPENSES FOR OUTPUT CLASS 9 POLICY ADVICE AND DEVELOPMENT

For the Year Ending 30 June 2008

Outputs in this output class will be provided within the appropriated sum of \$4.881 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2007/08 SOI	4,881	4,881	4,881	-
2006/07 Supp Estimates	4,981	4,981	4,981	-
2006/07 SOI	5,403	5,403	5,403	-

**OUTPUT 9.1: POLICY ADVICE AND DEVELOPMENT SERVICES**

The Department provides advice and develops policies that contribute to the improvement of service delivery, including policies that improve outcomes for Māori and Pacific peoples, and the development of effective criminal justice sector legislation. Services also include the development of service standards, the analysis of trends in the offender population, and the evaluation of the impact of programmes to reduce re-offending.

Performance Measures	Actual 2005/06	Target 2006/07	Target 2007/08
Advice provided according to the work programme agreed with the Minister of Corrections (%)	100%	100%	100%
Advice delivered to the Minister of Corrections that meets agreed standards (%)	100%	100%	100%
Policy advice delivered to the Minister of Corrections within agreed timelines (%)	100%	100%	100%

**OUTPUT 9.2: MINISTERIAL SERVICES**

Responses are provided to ministerial correspondence and parliamentary questions, Official Information Act requests, and requests from the Office of the Ombudsmen.

Expected Demand	Actual 2005/06	Forecast 2006/07	Forecast 2007/08
Responses prepared to ministerial correspondence (#)	432	300 <sup>25</sup>	TBR
Responses prepared to parliamentary questions (#)	527	900 <sup>25</sup>	TBR
Responses to Office of the Ombudsmen requests (#)	new measure	new measure	TBR
Responses to Official Information Act requests (#)	new measure	new measure	TBR

Performance Measures	Actual 2005/06	Target 2006/07	Target 2007/08
Responses returned for redrafting to be no more than (%)	new measure	new measure	10%
Responses completed within agreed timelines (%)	new measure	new measure	100%

25 This forecast was revised as part of the reforecast process.



## OUTPUT CLASS 10

### SERVICE PURCHASE AND MONITORING

This output class includes:

- the provision of inspectorate services
- the development, management and monitoring of services from external providers
- agreements with other Government agencies
- community funding contracts with external providers
- contracts with Community Residential Centres.

It also includes the development and maintenance of service specifications and national systems, and provision of victim notification services and offender records services.

Activities under this output class contribute to achievement of the full range of outcomes, but particularly to 'offenders are managed safely and humanely' and 'victims of crime are supported'.

#### EXPENSES FOR OUTPUT CLASS 10 SERVICE PURCHASE, PROVISION AND MONITORING

For the Year Ending 30 June 2008

Outputs in this output class will be provided within the appropriated sum of \$1.734 million (exclusive of GST).

Year	Cost (\$000)	Total Revenue (\$000)	Revenue Crown (\$000)	Revenue Other (\$000)
2007/08 SOI	1,734	1,734	1,734	-
2006/07 Supp Estimates	1,734	1,734	1,734	-
2006/07 SOI	1,588	1,588	1,588	-

**OUTPUT 10.1: INSPECTORATE SERVICES**

The Inspectorate 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 Department's Assurance Board and is independent of the services that it inspects.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Inspections in the Inspectorate work programme as approved by the Assurance Board (#)			
· Routine visits	97	100	100
· Special investigations	15	20	15
Complaints received by the Inspectorate (#)	new measure	new measure	3,000

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Inspections carried out to agreed standards (%)	100%	100%	100%
Routine inspection reports completed within agreed timelines (%)	89%	100%	100%
Special investigation reports completed within agreed timelines (%)	98%	100%	100%

**OUTPUT 10.2: SERVICES TO VICTIMS**

This output involves the administration of the victim notification services. The Department has a responsibility to notify eligible victims about specific events detailed in the Victims' Rights Act 2002. The New Zealand Police refer details of eligible victims to the Department.

	Actual	Forecast	Forecast
Expected Demand	2005/06	2006/07	2007/08
Referrals from the New Zealand Police (#)	523	600	600

	Actual	Target	Target
Performance Measures	2005/06	2006/07	2007/08
Victims notified as per requirements (%)	100%	100%	100%



STATEMENT OF INTENT  
1 JULY 2007 - 30 JUNE 2008



DEPARTMENT  
OF CORRECTIONS

ARA POUTAMA AOTEAROA

