



Annual Report 1 July 2000 to 30 June 2001

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

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FOREWORD

In accordance with section 39 of the Public Finance Act 1989, I submit the following report on the operations of the Department of Corrections for the period 1 July 2000 to 30 June 2001. This includes audited financial statements and covers the Department's administration of the Penal Institutions Act 1954, associated Regulations, and the Criminal Justice Act 1985 for this period.



Mark Byers

Chief Executive

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PART



OVERVIEW OF THE DEPARTMENT

- Chief Executive's Overview
- Strategic Goals (including Reducing Inequalities)
- Benchmarking of Performance
- Key Statistics and Trends
- Recidivism Index
- Rehabilitation Quotient



Overview
of the
Department



Chief Executive's Overview

My introduction to the 2000/01 Forecast Report highlighted the first year of the Department of Corrections' strategic business plans. Now, at the end of the year, I can outline progress arising from these departmental priorities.



Yet this was not the sole focus during the year. Corrections contributed to a Government rethink of aspects of the criminal justice system, which included participating in the policy development process for Sentencing and Parole Reform legislation. The Department also made pleasing progress in reviewing existing corrections law that, when passed, will complement Sentencing and Parole Reform law changes. The Department also supported the Ministerial Taskforce on Reducing Imprisonment (subsequently released as the *"About Time"* report). These were all significant tasks.

This Annual Report documents achievements against other Government priority areas:

- rebuilding the infrastructure of a corrections system in East Timor
- reducing inequalities (pages 12-15 refer)
- 2000 Budget initiatives for the 2000/01 year, in relation to increasing offender access to Tikanga Māori programmes, the National Certificate of Employment Skills and the development of new facilities (pages 138-139 refer).

Advances with the Department's four strategic goals, which arise from the Department's Strategic Business Plans, are detailed on pages 10 to 16. These goals aim for:

- integrated and effective offender management, where the implementation of Integrated Offender Management was the key focal point

- reducing re-offending by Māori, where a strategic framework was established and a number of initiatives undertaken
- responding to increased demand, where the Regional Prisons Project was a keystone for activity
- enhancing organisational capability, in order that the Department's existing infrastructure is strengthened.



Inmate telephone monitoring did not progress as anticipated. Parliament passed enabling legislation at the end of 1999. The Department completed service descriptions and system specifications, and has evaluated a suitable system. Negotiations with service providers stalled due to ongoing funding limitations. The Department has in the interim returned, as part of the departmental surplus, all start-up funding appropriated but not used. The initiative will be reassessed in 2002/03 in the context of other departmental priorities.

The year-end has seen the Department better placed in respect to improving public safety. I see this in terms of operational performance where reductions have occurred in negative performance measures within prisons, such as escapes and drug usage. Positive improvements range from the success of home detention (as an alternative to imprisonment) to integrating all our main inmate employment activities under one separate management structure, reporting to the Chief Financial Officer. These are documented in Part B of this Report.

Corrections has placed emphasis upon both efficiency and effectiveness reporting as well. Benchmarking against like-jurisdictions overseas (pages 17-23 refer) and the development of outcome reporting (pages 25-31 refer) are strong elements of this move to greater transparency within the corrections system.

It was overall a year of activity with many major projects undertaken. I thank both staff and stakeholders for the progress made during the year.



STRATEGIC GOALS

The Department of Corrections contributes to the Government's criminal justice goals by contributing to safer communities through:

- ensuring appropriate compliance in the administration of sentences and orders
- the safe, secure and humane management of offenders
- reducing re-offending.

Within this context the Government also expects that the Department will:

- address the disproportionate representation of Māori and Pacific peoples in the corrections system
- assist with the policy development of the Government's new sentencing and parole reform draft legislation.

Strategic Goal 1 - Integrated and Effective Offender Management

A structured and integrated approach to offender management is required to reduce re-offending. To do this, the Department developed and has started implementing Integrated Offender Management (IOM). This is the single biggest initiative undertaken by the Department to improve its effectiveness.

IOM was advanced in 2000/01 through:

- the development of evaluative and quality assurance procedures to ensure the integrity of the IOM model
- implementation of major components of offender assessment, sentence planning and sentence management by the Community Probation Service
- successful piloting of the full IOM model by the Public Prisons Service
- advanced the development of women inmate management policies within an IOM environment
- completion of a high level design of the reintegrative services component of IOM across both the Community Probation and Public Prisons Services. Included in this is the design of a new framework for the management of



reintegrative services, which defines three levels of support for offenders:

- providing information on reintegrative services available
- facilitating offenders' access to services needed
- providing direct training in skills that address reintegrative needs
- the development and sign-off of IOM sentence planning and sentence management specifications for the Integrated Offender Management System (IOMS)
- reviewing sentencing policy, which was led by the Ministry of Justice and, following this, new draft Corrections legislation for Government and Parliamentary consideration
- the start of National Certificate of Employment Skills (NCES) delivery at all prison sites.

In addition the Department continued to develop inmate employment initiatives. For example, in 2000/01:

- inmate employment hours expanded to 5.163 million hours. This represents a 7 percent increase in inmate employment hours from the 4.848 million delivered in 1999/2000
- over 500 inmates achieved accreditation for New Zealand Qualifications Authority (NZQA) recognised unit standards, and other inmates gained access to cost-effective industry-recognised qualifications.

Strategic Goal 2 – Reducing Re-offending by Māori

Māori are disproportionately involved in the criminal justice system and this is forecast to increase in coming years.

Māori continue to have a special focus in the Department's efforts to reduce re-offending.

2000/01 departmental initiatives included:

- completion of the Department's Treaty of Waitangi Strategic Plan: *Te Oranga O Te Iwi*, incorporating vision, policy and responsiveness components and an implementation plan
- completion of a communications strategy for building relationships with Māori



- the implementation of the Framework for the Reduction of Māori Offending (FReMO)
- the implementation of career development plans for Māori staff identified as 'Future Leaders'
- an extension and enhancement of the Department's Bicultural Therapy Model (BTM) by the Psychological Service
- the roll-out of tikanga Māori programmes in northern and central Community Probation Service regions
- the opening of a fourth Māori Focus Unit at Waikeria prison
- the delivery of Māori therapeutic programmes on whanau relationships and alcohol and drug abuse at Hawkes Bay Regional Prison. The whanau relationship programme was also delivered at Rimutaka prison in May 2000.

REDUCING INEQUALITIES

The Department's goal of reducing re-offending and thereby the over-representation of Māori and Pacific peoples in prison and on community-based sentences is a direct reflection of its commitment to reduce social inequalities.

As part of this commitment, the Department is developing a means to measure reconviction and reimprisonment rates according to age, gender and ethnicity of the number of offenders under its control and supervision. The Recidivism Index (RI) (figures 13 and 14 refer) currently provides the proportion of offenders who have been in prison or on community-based sentences who are reconvicted and receive either a further community-based or prison sentence over the following 12 and 24 months.

The RI will be used by Corrections to focus rehabilitative programmes and reintegrative services to have maximum effect in reducing re-offending. It will be possible in future to measure the impact and effectiveness of the Department's efforts at interventions for these groups through the Rehabilitation Quotient (RQ) which measures the reduction in re-offending produced by interventions.



Recent forecasts show the following growth trends by 2005¹:

- Māori imprisoned will grow by 20 percent (from 3,055 to 3,675) and Pacific peoples imprisoned will grow by 24 percent (from 422 to 524)
- Māori on community-based sentences will grow by 9 percent (from 19,446 to 21,230) and Pacific peoples on community-based sentences will grow by 12 percent (from 3,753 to 4,206)
- women imprisoned will grow by 47 percent (from 270 to 397) and women on community-based sentences will grow by 13 percent (from 7,799 to 8,775)
- imprisoned inmates between 15-19 years will grow by 30 percent (from 948 to 1,228) and offenders between 15-19 years on community-based sentences will grow by 16 percent (from 8,160 to 9,459).

The Department's Integrated Offender Management (IOM) strategy is the process by which the factors contributing to re-offending are addressed. Most of those factors relate to disadvantaged groups in one form or another. The interventions have been identified and developed using evidence of effectiveness from New Zealand and other relevant jurisdictions. Assessment measures ensure that those at greatest risk of re-offending receive priority for interventions. As Māori are generally at greater risk, this means that Māori receive a greater share of intervention resources. In addition, issues that relate to cultural dissonance are identified for Māori during the assessment phase of IOM and are addressed during the offender's sentence.

The Department's primary focus to date has been on Māori because of their over-representation in the offender population. This year, emphasis has been placed on ensuring that IOM is responsive to the needs of Māori. Specific initiatives implemented for Māori have been:

- tikanga Māori programmes using Māori philosophy, values, knowledge and practices to change the thinking

¹ *Regional Offender Forecasts to 2005, 2013 by Gender, Ethnicity and Age- Department of Corrections, 2001.*



and behaviour of Māori offenders. The programmes comprise the prison-based New Life Akoranga programme run by the Mahi Tahi Trust, the Mau Rakau programme run by the M H Wananga Trust and the community-based Te Wairua O Nga Tangata programme.

The New Life Akoranga programme is a prison-based programme that uses wananga (intensive residential) processes to address offending behaviours from a tikanga Māori perspective. A Ministry of Justice sponsored evaluation of this programme is presently underway.

The M H Wananga Trust – Mau Rakau programme is also a prison-based programme that uses the discipline of taiaha training to address offending behaviours from a tikanga Māori perspective.

The Te Wairua O Nga Tangata programme is a marae-based tikanga programme with a major taiaha component for pro-social skills development. The programme is funded by the Community Probation Service and is delivered in partnership with local iwi and pan tribal organisations;

- He Tete Kura Mana Tangata programme. This is a continuation of a marae-based Māori therapeutic violence prevention programme that has been developed using the principles of tikanga Māori. The Community Probation Service delivers the programme to Māori offenders serving a sentence of periodic detention;
- Māori Focus Units – four specialist units at different prisons cater for a capacity of 222 Māori offenders. The units provide controlled environments within the prison system, where inmates are able to practice the behaviours and skills acquired from pre-entry tikanga Māori programmes. A formative and process evaluation of the Hawkes Bay Māori Focus Unit completed in July 1998 reported positive inmate development and improved inmate behaviour and attitudes. The



evaluation also proposed the introduction of Māori therapeutic programmes.

Māori therapeutic programmes are delivered in Māori Focus Units. They address either a criminogenic need such as alcohol and drugs, violence, or a reintegrative need such as relationships, within the context of a Māori therapeutic environment and from a tikanga Māori perspective. A process evaluation just completed notes that inmates respond positively to the tikanga elements of the programmes;

- continuation of the Bicultural Therapy Model (operated by the Psychological Service, in conjunction with the Public Prisons and Community Probation Services), which allows Māori offenders access to both Western and Māori therapeutic resources;
- the Treaty of Waitangi Policy Statement and Māori Communications Strategy. The Strategy (the Department of Corrections' Treaty of Waitangi Strategic Plan 2001-2004: *Te Oranga o Te Iwi*) consists of three strategic goals and specific initiatives for achieving those goals.

The Department's Strategic Business Plan has work planned for 2001/02 on a Māori and Pacific peoples targeting frameworks and women and youth offenders.

In 2000/01 the Department spent \$477 million (GST inclusive), the majority of which was spent on people who came from backgrounds of disadvantage. Sixty-two percent was spent on disadvantaged Māori and Pacific peoples. An estimated \$251.1 million (GST incl.) or 52 percent of the Department's total expenditure was spent on Māori.

Within that \$251.1 million, the Department spent (GST incl.):

- \$10.23 million on Māori Focus Units (custodial costs)
- \$0.23 million on Bicultural Therapy Model
- \$0.43 million on policy work specifically related to Māori issues
- \$7.9 million on tikanga Māori and other rehabilitative programmes directed at assisting the rehabilitation and reintegration of Māori.



Strategic Goal 3 – Responding to Increased Demand

The increasing demand for corrections services is forecast to continue. The Department is therefore required to provide appropriate facilities, appropriately trained staff and necessary support services to meet anticipated requirements.

The focus during 2000/01 was to implement year one of the National Prison Facilities and Services Strategic Plan (2000-2008). The development of appropriate departmental facilities is addressed in Part D, Capital Projects section, of this Report.

Prison cell capacity increased by 345 units (includes at-risk cells). This increase of cells came on stream during the year.

This resulted in successful management of increases in remand numbers (that the Bail Act 2000 brought about) and an unexpected increase in the women's muster during the first six months of the year. The Department responded to the unexpected growth in women's muster by utilising beds at Paparua Remand Centre and Mt Eden Men's Prison.

Strategic Goal 4 – Enhancing Organisational Capability

The Department has an ongoing need to enhance organisational capability in order to achieve core business goals and effectively implement new initiatives. Therefore this Goal serves to support the preceding three. 2000/01 initiatives included:

- implementing year one of the Human Resources Strategy (2000-2003) which is addressed in Part D, Human Resource Management section, of this Report
- implementing the Prison Maintenance and Development Plan (2000-2005), as approved by Government, and the National Security Review
- development of plans for all prison regions to align with the Department's risk management and quality assurance framework.

BENCHMARKING OF PERFORMANCE

Deaths in Custody

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

Inmate suicide reduction is a key priority of the Department. Inmates are known to be a higher risk of suicide than the general population. The Department has taken a number of actions to develop or enhance preventative measures to help reduce the rate of suicide and self-harm. These include:

- suicide awareness training for staff
- at-risk assessments for all inmates entering prisons
- active management of at-risk inmates including an observation regime and observation cells designed to minimise opportunities for self-harm.

This approach is vital in the quest to reduce the incidents of inmate suicide and other forms of self-harm. Figure 1 illustrates the trend across five years for the Department.

Given the increasing challenge presented by a growing population of mentally ill, behaviourally disturbed and vulnerable inmates, this is an excellent achievement.

Figure 1: Suicides in Prison in New Zealand - 1996/1997 to 2000/2001

		Suicides
2000/2001 ²	Actual number	5
	Number per 100 inmates	0.08
1999/2000	Actual number	6
	Number per 100 inmates	0.11
1998/1999	Actual number	8
	Number per 100 inmates	0.14
1997/1998	Actual number	7
	Number per 100 inmates	0.13
1996/1997	Actual number	6
	Number per 100 inmates	0.12

² The 2000/01 figure is still subject to Coroner's findings. Dates refer to the financial year, which runs from 1 July to 30 June.



New Zealand has the lowest number of unnatural prison deaths when compared to other like-jurisdictions. Figure 2 compares inmate deaths in prison from unnatural causes across jurisdictions with similar characteristics (Canada³, Australia, England and Wales, and Scotland).

Figure 2: International Comparison of Unnatural Deaths in Custody - 1999/2000⁴

	NZ	Canada ³	Australia	England & Wales	Scotland
Deaths per 100 inmates	0.11	0.15	0.20	0.14	0.28

Source

Canada:-Correctional Services of Canada; Australia: - National Corrections Advisory Group
England & Wales:- HM Prison Service ; Scotland: - Scottish Prison Service

Also there has been a decline in the number of deaths in prison custody within New Zealand over the past three years. Figure 3 compares the number of unnatural deaths in New Zealand prisons over the last three years against the number of natural deaths in New Zealand prisons over the last three years. Results are illustrated as a number per 100 inmates.

Figure 3: Deaths in Custody in New Zealand

		Unnatural Death ⁵	Natural Death
2000/2001⁴	Actual number	6	6
	Number per 100 inmates	0.10	0.10
1999/2000	Actual number	6	8
	Number per 100 inmates	0.11	0.14
1998/1999	Actual number	10	8
	Number per 100 inmates	0.18	0.14

Note: 2000/2001 number per 100 inmates based on an average number of inmates (sentenced and remand, and including ACRP numbers) of 5,983.

³ This is a federal body, which caters for inmates sentenced to two years or more.

⁴ Dates refer to the financial year, which runs from 1 July to 30 June.

⁵ Includes assumed suicide, homicide and death by accident.



Assaults in Custody

Another indicator of safe and secure prisons is the number of assaults in prison that have resulted in serious bodily injury. Again New Zealand compares favourably with overseas jurisdictions.

Figure 4 shows the number of serious inmate-on-inmate assaults in New Zealand prisons per 100 inmates recorded in 2000/01.

Figure 4: New Zealand Serious Inmate-on-inmate Assaults in Custody - 2000/2001⁶

		Inmate-on-inmate Assaults
2000/2001	Actual number	28 ⁷
	Number per	0.47
	100 inmates	

Notes: The 2000/2001 number per 100 inmates is based on an average number of inmates (sentenced and remand and including ACRP numbers) of 5,983.

Incident definitions were revised into two categories (Serious and Non-serious) during 2000/2001 to enable greater comparability with international jurisdictions.

Assaults in previous years, based on a separate definition, have been excluded because they are not comparable with international jurisdictions.

Figure 5 compares these assaults in prison across jurisdictions with similar characteristics (Canada⁸ and the Australian State jurisdictions).

Figure 5: International Comparison of Serious Inmate-on-inmate Assaults in Custody - 1999/2000⁶

	NZ	Canada	Victoria	New South Wales	Queensland	South Australia	Tasmania	Northern Territories
Inmate-on-inmate Assaults per 100 Inmates	0.47	0.34	1.08	0.82	1.13	1.50	1.11	0.81

Source

Canada: Correctional Services of Canada

Australia: National Corrections Advisory Group

⁶ Dates refer to the financial year, which runs from 1 July to 30 June.

⁷ Includes six assaults from Auckland Central Remand Prison (privately operated)

⁸ This is a federal body, which caters for inmates sentenced to two years or more.



Escapes from Custody

The total number of all inmate escapes in New Zealand, against all security classifications, reduced from 40 in 1999/2000 to 29 (including one from the privately-managed Auckland Central Remand Prison) in 2000/01. This represents a pleasing trend against an expected performance standard in 2000/01 of 76 escapes. This is the second consecutive year in which there has been a significant reduction in escapes.

Breakout escapes in New Zealand, against all security classifications, have reduced from 12 in 1999/2000 to seven (including one from the privately-managed Auckland Central Remand Prison) in 2000/01.

Inmate breakout escapes are an indicator of the extent to which a secure custodial environment exists. The Department's emphasis on enhanced physical security in the past three years as well as improvements in operational practice accounted for the decline in escapes. The majority of escapes are often driven by the need to see family members or resolve external issues. Another reason for escaping is problems with accepting the sentence and the prison environment.⁹ New Zealand prisons have had few problems when compared with escape trends internationally.

⁹ *Escape Pressures - Inside views of the reasons for prison escapes* - Department of Corrections and Ministry of Justice: June 1996, pp11 and 13.



Figure 6 illustrates a steady decline in the number of breakout escapes in New Zealand (80 percent reduction over four years) over the last five years. Results are also illustrated as a number per 100 inmates.

Figure 6: Breakout Escapes from Prison in New Zealand - 1996/1997 to 2000/2001¹⁰

		Breakout Escapes
2000/2001	Actual number	7 ¹¹
	Number per 100 inmates ¹²	0.12
1999/2000	Actual number	12
	Number per 100 inmates	0.21
1998/1999	Actual number	13
	Number per 100 inmates	0.23
1997/1998	Actual number	35
	Number per 100 inmates	0.66
1996/1997	Actual number	35
	Number per 100 inmates	0.71

Figure 7 compares breakout escapes from prison across jurisdictions with similar characteristics (Canada¹³, Australia, England & Wales, and Scotland).

Figure 7: International Comparison of Breakout Escapes from Prison - 1999/2000¹⁰

	NZ	Canada	Australia	England & Wales	Scotland
Breakouts per 100 inmates	0.21	0.75	0.15	0.06	0.07

Source

Canada: Correctional Services of Canada

Australia: National Corrections Advisory Group

England & Wales: HM Prison Service

Scotland: Scottish Prison Service

¹⁰ Dates refer to the financial year, which runs from 1 July to 30 June.

¹¹ Includes one breakout escape from Auckland Central Remand Prison (privately managed).

¹² 2000/2001 number per 100 inmates based on an average number of inmates (sentenced and remand, and including ACRP numbers) of 5,983.

¹³ This is a federal body, which caters for inmates sentenced to two years or more.



Cost of Inmates

The performance of the corrections system also needs to be assessed on the basis of what it costs to secure an inmate. In this instance, comparisons are based on the average daily cost per inmate. Figure 8 provides the average costs per day, in local currency, for New Zealand, Australia, Canada, England & Wales and Scotland.

Figure 8: International Comparison of Inmate Cost per Day¹⁴ - 1999/2000¹⁵

	NZ	Canada ¹⁶	Australia	England & Wales	Scotland
Cost per Day	\$145	\$277	\$135	£166	£151

Source
Canada: Correctional Services of Canada
Australia: National Corrections Advisory Group
England & Wales: HM Prison Service
Scotland: Scottish Prison Service

Rate of Imprisonment

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

Figure 9 compares the national imprisonment rate across jurisdictions with similar characteristics (Canada¹⁶, Australia, England and Wales, and Scotland). The comparison shows that New Zealand imprisons more offenders than like-jurisdictions.

Figure 9: International Comparison of Imprisonment Rates - 1999/2000¹⁵

	NZ	Canada ¹⁶	Australia	England	Scotland & Wales
Number in prison per 100,000 of population	149	122	109	123	117

Source
Canada: Candian Centre for Justice Statistics¹⁷
Australia: National Corrections Advisory Group
England & Wales: HM Prison Service
Scotland: Scottish Prison Service

¹⁴ The figures have been adjusted using a Purchasing Power Parity model. This enables the results to be compared in this context, when considering relative performance.
¹⁵ Dates refer to the financial year, which runs from 1 July to 30 June.
¹⁶ This is a federal body, which caters for inmates sentenced to two years or more.
¹⁷ Data is sourced from both Federal and provincial centres and indicate the national prison population.

Ratio of Inmates to Full Time Equivalent Staff

The ratio of inmates to full time equivalent staff identifies the level of staff supervision available.

Figure 10 compares the ratio of inmates to full time equivalent staff across jurisdictions with similar characteristics (Canada¹⁸, Australia, England & Wales, and Scotland). The comparison shows that there is a higher number of inmates for every full time equivalent staff in New Zealand. This indicates a higher level of efficiency in this respect.



Figure 10: International Comparison of Inmates to Full Time Equivalent Staff Ratio - 1999/2000¹⁹

	NZ	Canada	Australia	England	Scotland & Wales
Number of Inmates per Full Time Equivalent Staff	2.01	1.10	1.81	1.50	1.19

Source

- Canada: Correctional Services of Canada
- Australia: National Corrections Advisory Group
- England & Wales: HM Prison Service
- Scotland: Scottish Prison Service

KEY STATISTICS AND TRENDS

The Department spent \$477 million (GST inclusive) in the 2000/01 year managing an average of 5,057 custodial and 40,632 community-based sentences and orders.

The following information provides some background details for the New Zealand inmate population.

Women Inmates

Women inmates in New Zealand currently make up approximately five percent of the total prison population.²⁰ This is a 160 percent increase in the last 15 years.

¹⁸ This is a federal body, which caters for inmates sentenced to two years or more.

¹⁹ Dates refer to the financial year, which runs from 1 July to 30 June.

²⁰ *Management of Women Inmates* - Department of Corrections, July 2001

Figure 11 illustrates the increase in the number of sentenced women inmates across three Census years.

Figure 11: Sentenced Women Inmate Numbers

	Sentenced Females
1999 ²¹	206
1997	207
1995	151

Women inmates often have significant personal and social needs, that differ from those of male inmates. Recent initiatives for women inmates include ongoing policy and design work on the comprehensive women's prison to be built in South Auckland.

This emphasis on women inmates will continue with the development of tikanga Māori programmes for women offenders, policy addressing the needs of women offenders serving community-based sentences and the development of a gender-specific security classification system for women.

Nature of Offending

Figure 12 illustrates the major offences committed across three Census years and across gender types. Violence and property offences are still the major offence types.

Figure 12: Major Offence of Sentenced Inmates (Percent)

Major Offence		1995 ²²	1997	1999
Violence ²³	Male	62.4	58.7	61.9
	Female	37.1	34.3	40.2
Property	Male	21.3	21.7	21.2
	Female	39.7	41.1	29.9
Involving Drugs	Male	5.8	7.0	7.5
	Female	12.6	14.0	15.2
Traffic	Male	8.8	10.1	7.2
	Female	7.3	6.8	10.8
Miscellaneous	Male	1.7	2.5	2.2
	Female	3.3	3.8	3.9

²¹ *Census of Prison Inmates* - Department of Corrections, 1999

²² Dates refer to the financial year, which runs from 1 July to 30 June.

²³ Includes sex offences.

RECIDIVISM INDEX

The Recidivism Index (RI) quantifies the rate of re-offending of a specified group of offenders over a defined follow-up period (currently 12 months) following release from a custodial sentence or beginning of a community-based sentence.

The RI method is based on internationally-used definitions of re-offending applied to sentences/orders administered by corrections agencies (in New Zealand's case, the Department of Corrections).

The RI comes in two forms – imprisonment or reconviction to a sentence administered by the Department. Imprisonment gives a good indication of the seriousness of recidivism and costs to the Department, the criminal justice system and society more generally. However, since the majority of reconvictions do not lead to imprisonment, imprisonment statistics provide an incomplete measure of recidivism. Therefore reconviction to any sentence administered by the Department is also measured.

RI Comparisons

The Recidivism Index is reported for multiple categories of offenders (figures 13 and 14 refer). In New Zealand there was significant variation in re-offending rates between sentence, offence and demographic groups. These tables provide re-offending rates measured over 12 and 24 months, for the 1998/99 and 1999/2000 year. Improved information and analysis will be available in future years as more data becomes available.

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

- males are reimprisoned at a significantly higher rate than females (25 percent and 14 percent respectively) and reconviction rates for offenders released from prison are also higher for males (41 percent and 30





percent respectively). Reimprisonment rates reduce by around two-thirds as offenders age (offenders over 40 years are reimprisoned at a third the rate of those under 20) and vary markedly between offence classes (property offenders having the highest rate, sex offenders having the lowest rate);

- reimprisonment rates were highest for inmates released from maximum security and high-medium security classifications (55 percent and 61 percent respectively), but were markedly lower for inmates released from minimum security (17 percent);
- reimprisonment and reconviction rates for Pacific peoples (17 percent and 34 percent respectively) were notably lower than those for Māori (27 percent and 45 percent) and Europeans (21 percent and 37 percent);
- as the sentence length increases, there is a drop off in the rate of reimprisonment and reconviction. Offenders with a sentence length of one year are reimprisoned at a significantly higher rate than offenders with a sentence length greater than five years (20 percent and 6 percent respectively). This lower rate is likely to be a reflection of the nature of the offence as few inmates are reconvicted on murder charges for example;
- as the seriousness of the offence (for which the person has been detained in the corrections system) increases above medium, there is a drop-off in the rate of reimprisonment and reconviction. Offenders with a medium seriousness score (offences such as dishonesty and burglary) are reimprisoned at a significantly higher rate than offenders with a very high seriousness score (33 percent and 11 percent respectively);
- home detention releases from prison had a reimprisonment rate (6 percent) substantially lower than

those released from minimum security. Home detention releases from Courts were reimprisoned at a higher rate (13 percent) than those released to home detention from prison but still lower than minimum security releases.

Offenders on community-based sentences had significantly lower imprisonment and reconviction rates than offenders released from prison. The reconviction rate for those who began a community-based sentence of periodic detention (38 percent) is double that of offenders who began a community service sentence (19 percent).

The overall reimprisonment and reconviction rates are slightly higher than the 1998/99 year, although the differences for the Public Prisons Service are not statistically significant. The Community Probation Service figures are significantly different.

The Recidivism Index is affected by activities outside the control of the Department of Corrections, particularly the work of New Zealand Police. The Police have increased the percentage of offences that they successfully clear by nine percent between 1991/92 (31 percent) and 2000/01 (40 percent) with a 4 percent increase in the last four years. This is likely to have had a greater impact on the Community Probation Service than the Public Prisons Service, due to the Police already having higher clearance rates for serious offending that result in imprisonment. The increased clearance rate is likely to come from a focus on the less serious offending committed by offenders who are given community-based sentences.



Figure 13: Recidivism Index Reporting - 1999/2000 - 12 Month Percentages²⁴

Category Group	Released from PPS		Beginning of CPS Sentence ²⁵	
	Reimprisoned	Reconvicted	Imprisoned	Reconvicted
All	23.8	40.0	11.8	34.0
Gender				
Female	14.3	30.4	5.9	26.5
Male	24.6	40.8	14.2	38.0
Ethnicity				
European	21.4	36.9	12.9	37.3
Māori	27.3	45.1	16.1	42.8
Pacific	17.5	33.5	11.1	33.5
Other (incl. Asian)	9.5	27.0	5.8	27.3
Age				
<20 years	40.9	63.6	21.0	50.8
20-24 years	29.1	48.2	15.1	39.7
25-29 years	25.3	40.7	12.8	35.9
30-39 years	18.2	33.1	10.3	29.8
40+ years	11.3	20.2	6.4	23.7
Offence				
Drug	10.3	21.8	8.3	29.7
Property	36.2	54.9	17.6	41.9
Traffic	19.4	38.2	12.3	23.0
Violence	22.7	39.1	11.8	32.3
Sex	5.1	9.6	5.6	34.2
Other	13.2	27.0	5.7	22.7
Community Based Sentence				
Community Service	n/a	n/a	2.6	18.8
Programme	n/a	n/a	13.6	37.0
Supervision	n/a	n/a	15.5	39.5
Periodic Detention	n/a	n/a	13.8	37.9
Custodial Sentence				
Prison	23.3	38.8	n/a	n/a
Corrective Training	37.5	69.3	n/a	n/a
Inmate Security Classification				
Max Security	55.2	55.2	n/a	n/a
High Medium	61.0	66.2	n/a	n/a
Low Medium	45.4	56.6	n/a	n/a
Minimum	17.0	31.1	n/a	n/a
Releases from Prison				
NPB - discretionary	5.6	16.7	n/a	n/a
NPB - mandatory	18.5	45.7	n/a	n/a
DPB - discretionary	13.5	25.5	n/a	n/a
DPB - mandatory	20.6	35.3	n/a	n/a
Home D - ex prison	5.7	17.1	n/a	n/a
Home D - ex Courts	13.3	30.5	n/a	n/a
Habilitation Centre	20.0	25.0	n/a	n/a
Sentence Length				
<=6 mths	27.5	46.4	13.1	36.9
> 6mth but < 1yr	24.6	43.3	14.1	38.3
= 1 yr	20.2	35.1	7.2	25.0
>1 to 2 yr	25.2	39.5	16.9	43.2
>2 to 3 yr	17.7	30.4	12.5	20.8
>3 to 5 yr	13.1	22.7		
>5 yr	5.5	13.2		
Seriousness Score²⁶				
Low (>0 to 30)	24.9	42.5	10.7	32.5
Medium (>30 to 60)	32.5	50.6	18.5	44.1
High (>60-120)	25.8	41.3	17.1	40.5
Very high (>120)	10.5	21.9	9.3	32.5
All-1998/99	23.4	39.3	11.0	30.5

²⁴ Offences against Justice (such as breach of parole, failure to report, and perjury) have been excluded in order to bring the NZ measurements into line with international benchmarking.

²⁵ Beginning (not completion) of sentence used to define re-offending.

²⁶ Seriousness score measures the average number of days of imprisonment imposed on every offender convicted of that offence.

Figure 14: Recidivism Index Reporting - 1998/99 - 24 Month Percentages

Category Group	Released from PPS		Beginning of CPS Sentence	
	Reimprisoned	Reconvicted	Imprisoned	Reconvicted
All	34.0	55.1	17.0	43.3
Gender				
Female	19.7	44.8	8.1	33.5
Male	35.2	55.9	20.9	48.2
Ethnicity				
European	30.7	50.5	24.0	58.8
Maori	38.5	62.2	28.8	63.8
Pacific	29.1	48.2	24.5	58.1
Other (incl. Asian)	24.4	37.2	13.2	44.2
Age				
<20 years	51.0	75.1	23.3	58.1
20-24 years	39.8	65.0	19.7	49.7
25-29 years	34.6	58.8	18.1	44.5
30-39 years	28.1	46.4	14.1	36.7
40+ years	17.2	26.7	8.4	25.4
Offence				
Drug	18.6	40.7	12.8	38.2
Property	47.6	70.0	23.5	52.4
Traffic	30.0	54.5	18.5	48.2
Violence	32.4	53.7	16.4	41.8
Sex	13.7	20.6	10.6	23.0
Other	23.9	41.6	9.9	31.9
Community Based Sentence				
Community Service	n/a	n/a	4.8	26.5
Programme	n/a	n/a	23.6	47.9
Supervision	n/a	n/a	20.3	45.3
Periodic Det.	n/a	n/a	20.6	49.5
Custodial Sentence				
Prison	33.3	54.0	n/a	n/a
Corr Train	47.8	77.1	n/a	n/a
Inmate Security Classification				
Max Security	80.5	82.9	n/a	n/a
High Medium	79.4	86.3	n/a	n/a
Low Medium	61.3	74.6	n/a	n/a
Minimum	31.8	50.4	n/a	n/a
Releases from Prison				
NPB - discretionary	8.3	22.2	n/a	n/a
NPB - mandatory	32.9	55.5	n/a	n/a
DPB - discretionary	22.2	39.7	n/a	n/a
DPB - mandatory	32.0	48.2	n/a	n/a
Home Detention ex Prison	n/a	n/a	n/a	n/a
Home Detention ex Courts	n/a	n/a	n/a	n/a
Habilitation Centre	n/s	38.9	n/a	n/a
Sent. Length				
<=6 mths	38.0	60.2	19.8	49.7
> 6mth but < 1yr	33.4	57.7	19.8	46.0
= 1 yr	29.2	55.6	10.2	32.0
>1 to 2 yr	36.1	54.6	25.3	48.1
>2 to 3 yr	25.9	42.3	14.7	55.9
>3 to 5 yr	18.5	33.7	n/a	n/a
>5 yr	10.2	23.3	n/a	n/a
Seriousness Score				
Low (>0 to 30)	38.5	59.3	15.1	41.2
Medium (>30 to 60)	37.6	61.5	24.8	53.6
High (>60-120)	34.6	56.7	22.3	47.3
Very high (>120)	17.9	34.3	13.5	34.2





REHABILITATION QUOTIENT

The Rehabilitation Quotient (RQ) is a way of measuring the effectiveness of rehabilitative and other interventions in reducing re-offending. This measurement involves a comparison between a group receiving the intervention (treatment) and a control group, similar in crucial aspects of age, ethnicity, and risk of re-offending, which did not receive the intervention. The RQ comes in two forms – RQ reimprisonment (or imprisonment) and RQ reconviction.

Rehabilitation Quotient reimprisonment is the reduction in the reimprisonment rate for a treatment group following an intervention. This means RQ reimprisonment is the difference between the RI reimprisonment rate for the control group and the RI reimprisonment rate for the treatment group.

RQ Comparisons

The Rehabilitation Quotient is reported for several different interventions across both the Public Prisons Service (PPS) and the Community Probation Service (CPS). Figure 15 shows changes in reimprisonment rates of the treatment group receiving an intervention during the 1999/2000 year, measured over a 12 month follow-up period.

Not all reported interventions show a significant reduction in the reimprisonment (or imprisonment) rate of the treatment group receiving an intervention. The rates reported here are based on those who began treatment.

Notable features of those released from the PPS are that:

- the interventions having a significant impact were psychological treatment (5.1 percent) and Sex Offender Treatment Programmes (4.5 percent)
- the Straight Thinking programme reported a reduction in the reimprisonment rate of close to 5.6 percent although this was not statistically significant.



For offenders who began treatment during sentences administered by CPS:

- psychological treatment achieved a bigger reduction in reimprisonment to that in the Public Prisons Service
- the reduction through the Straight Thinking intervention in the community was not significant.

These figures are lower than anticipated but should improve over time because the Department's Integrated Offender Management (IOM) processes will mean that interventions are more accurately provided to those who are at greatest risk of re-offending. More interventions and increased numbers of offenders undertaking approved programmes will generate statistically valid data and additional reporting in future. Also the interventions that are provided under IOM will more directly focus on offender needs that support rehabilitation and will be of greater duration than the interventions reported here.

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

**Figure 15: Rehabilitation Quotient Reimprisonment
1999/2000 - 12 Month Percentage**

Change in reimprisonment rate of treatment group receiving an intervention.

Intervention	RQ - PPS	RQ - CPS
Psychological Treatment	5.1 ²⁷	11 ²⁷
Straight Thinking	5.6	0.09
Sex Offending - Kia Marama, Te Piriti	4.5 ²⁷	n/a

Data includes only those offenders who have completed. Those who did not complete were reimprisoned at a higher rate than the control group.

²⁷ significant at $p < 0.05$



International Comparison of Recidivism Statistics

The number of former inmates who return to prison or re-offend is a measure of the success of the whole criminal justice system. New Zealand's rate of reimprisonment is similar to that of Australian jurisdictions (figure 16). However, a higher percentage of inmates in New Zealand are reconvicted and sentenced to a prison or community-based sentence (figure 17).

Recidivism statistics from other international jurisdictions are not available.

Figure 16: Percentage of Inmates Released in 1997/1998 and Reimprisoned within Two Years

	NZ	South Australia	Queensland	Victoria	Tasmania	Northern Territories	New South Wales	Western Australia
Percentage Reimprisoned	30	10	29	34	34	35	40	44

Figure 17: Percentage of Inmates Released in 1997/1998 who Re-offended within Two Years²⁸

	NZ	South Australia	Queensland	Victoria	Northern Territories
Percentage Re-offended	48	25 ²⁹	39	43	49

Source
Australian States: National Corrections Advisory Group

²⁸ Some Australian States do not collect re-offending statistics.
²⁹ South Australia has shown a significant reduction in re-offending rates since the previous year. An explanation is unable to be provided.

Funnel Effect Diagram

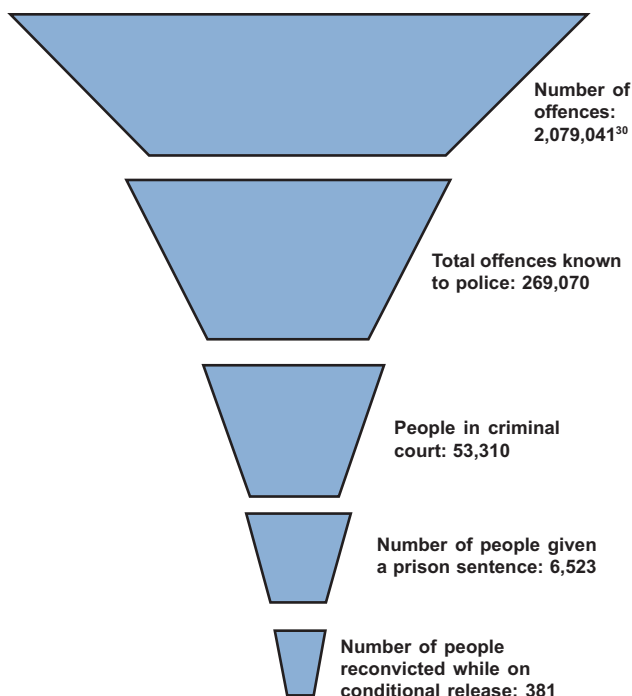
The “funnel effect” diagram was developed by the Correctional Services of Canada to put into context the risk posed by inmates released from prison and still on parole.

Figure 18 below utilises this concept with New Zealand data.

It takes the total number of offences and shows that only a portion (13 percent) of these were reported to police. The police prosecute 53,310 offenders and of those 6,523 were given a prison sentence.

The final step in the funnel shows that only a tiny fraction (less than one percent) of those who are prosecuted in court are there because of crimes they have committed while on discretionary parole.

Figure 18: The Funnel Effect Diagram (1996)



³⁰ New Zealand National Survey of Crime Victims - New Zealand Police, 1996

PART

B

PERFORMANCE INFORMATION

Statement of Responsibility

Statement of Objectives and Service Performance

Output Class 1: Information Services

Output Class 2: Community-based Sentences and
Orders

Output Class 3: Custodial Sentences

Output Class 4: Rehabilitative Programmes and
Reintegrative Services

Output Class 5: Inmate Employment

Output Class 6: Custody of Remand Inmates

Output Class 7: Escorts and Custodial Supervision
Services to Courts

Output Class 8: Policy Advice and Development

Output Class 9: Contract Management Services
(Service Purchase and Monitoring)



STATEMENT OF RESPONSIBILITY

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

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

In my opinion, these financial statements fairly reflect the financial position and operations of the Department for the year ended 30 June 2001.



Signed

Countersigned

A handwritten signature in black ink, appearing to read 'Mark Byers'.

Mark Byers
Chief Executive

A handwritten signature in black ink, appearing to read 'Mike Martelli'.

Mike Martelli
Acting Chief Financial Officer

Dated 26 September 2001

STATEMENT OF OBJECTIVES AND SERVICE PERFORMANCE

for the year ended 30 June 2001

OUTPUT CLASS 1: INFORMATION SERVICES

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



Output Class Statement: Information Services

for the year ended 30 June 2001

Actual 30/6/00 \$000		Actual 30/6/01 \$000	Main Estimates \$000	Supp. Estimates \$000
Revenue				
22,500	Crown	24,299	22,485	24,299
0	Other	0	0	0
22,500	Total revenue	24,299	22,485	24,299
22,409	Total expenses	24,221	22,485	24,299
91	Net surplus/(deficit)	78	0	0

Information and Advice to Courts

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

Information and Advice to Courts	Budget	Actual	Variance
Quantity			
The number of reports to courts ¹	34,270 - 38,614	32,759	-1,511 (-4%)
The number of hours for attendance at courts	46,685 - 52,335	52,759	424 (1%)
Quality			
The percentage of reports provided to the standards contained in the Community Probation Service Manual as set out below:	95%	92%	-3%
<ul style="list-style-type: none"> • reports to specified formats and in writing • verification process specified/or rationale for the lack of verification • concise, logical and grammatically correct • clear statement of recommendation consistent with the law. 			
The percentage of reports provided to the standards contained in the Psychological Service Manual as set out below:	98%	98%	Nil
<ul style="list-style-type: none"> • completed to a specified format and in writing • concise, logical and grammatically correct • source and reason for referral are clearly stated • all relevant and appropriate information included • sources of information well documented and verified • clear statement of recommendations for further investigation • complies with the Code of Ethics of the NZ Psychological Society 1986. 			
The number of written complaints from judges	15	4	-11 (-73%)

¹ Reports include psychological reports, pre-sentence, reparation, community programme agreements, same-day and oral information reports.

Timeliness

The percentage of reports to courts provided to a timetable set through service level agreements:

Community Probation Service	98%	80%	-18%
Psychological Service.	100%	100%	Nil

Comment

The Community Probation Service actively manages its relationship with the judiciary through a series of regular meetings with Judges across the country. This has provided judges with the opportunity to raise issues and have them dealt with as part of those meetings, which in turn may have reduced the number of written complaints received during the financial year.

Requirements of courts, in respect to the delivery of reports, vary across the country to fit with local operating regimes. This is especially prevalent in more rural locations where courts do not operate on a daily basis as they do in larger areas. This means that while the Community Probation Service is meeting the requirements of courts at the local area level, in doing so they are not consistently able to attain the national standards.

The Department of Corrections is currently in the process of renegotiating its national Service Level Agreement with the Department for Courts. These negotiations include reviewing the timeliness standards covering the delivery of reports by the Community Probation Service to the courts.



The Provision of Home Leave Reports

The provision of home leave reports includes investigating the suitability of the sponsor and residence. Community reaction to the planned home leave by an inmate is also assessed.

The Provision of Home Leave Reports	Budget	Actual	Variance
Quantity			
The number of home leave reports	1,671 - 1,887	979	-692 (-41%)
Quality			
The percentage of home leave reports provided to the standards contained in the Community Probation Service Manual:			
	98%	98%	Nil
<ul style="list-style-type: none"> • reports completed and all questions addressed • concise, logical and grammatically correct. 			
Timeliness			
The percentage of home leave reports provided within two weeks of request			
	98%	96%	-2%

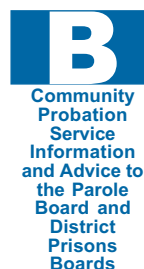
Comment

These reports are prepared in response to requests from the Public Prisons Service as required, however there are several factors which are impacting on the number of home leave reports being prepared. These include an increase in the overall length of sentences and the Department's policy relating to the eligibility of home leave for those inmates who are identified drug users. Inmates who test positive for drugs have restrictions placed on them which include reduced eligibility for home leave.

Community Probation Service Information and Advice to the Parole Board and District Prisons Boards

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

Community Probation Service Information and Advice to the Parole Board and District Prisons Boards	Budget	Actual	Variance
Quantity			
The number of Parole and District Prisons Boards reports 2,700 - 2,900		3,006	106 (4%)
Quality			
The percentage of Parole and District Prisons Boards reports provided to the standards contained in the Community Probation Service Manual:			
	98%	96%	-2%
<ul style="list-style-type: none"> • reports in a specified format and in writing • verification process specified/or rationale for the lack of verification • concise, logical and grammatically correct • statement of recommendations consistent with the law. 			
Timeliness			
The percentage of Parole and District Prisons Boards reports provided within deadlines set by the boards			
	98%	93%	-5%



Public Prisons Service Information and Advice to the Parole Board and District Prisons Boards

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

Public Prisons Service Information and Advice to the Parole Board and District Prisons Boards

	Budget	Actual	Variance
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Quantity

The number of Parole and District Prisons Boards reports 3,325 - 3,675	4,548	873	(24%) ²
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Quality

The percentage of Parole and District Prisons Boards reports provided to the standards contained in the Public Prisons' Policy and

Procedures Manual:	100%	97%	-3%
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- the reports are clear and concise, identifying major points to enable the boards to make a decision on the inmate's release
- the reports must identify whether statements are fact or opinion; findings are to be derived from the body of the report; recommendations are to address issues, be capable of being implemented and demonstrate that they will achieve the results required
- each inmate is involved in the development of their report
- reports for the Parole Board are provided at least one month before the Board sits.

Timeliness

The percentage of Parole and District

Prisons Boards reports provided within deadlines set by the boards	100%	95%	-5%
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² This performance measure was changed within the 2000/01 Supplementary Estimates process to 4,025 - 4,375, making the variance 4 percent.

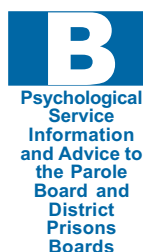
Psychological Service Information and Advice to the Parole Board and District Prisons Boards

This output involves the assessment, analysis and reporting on offenders who are to appear before the Parole Board or District Prisons Boards.

Psychological Service Information and Advice to the Parole Board and District Prisons Boards	Budget	Actual	Variance
Quantity			
The number of Parole and District Prisons Boards reports	642 - 710	547	-95 (-15%)
Quality			
The percentage of Parole and District Prisons Boards reports provided to the standards contained in the Psychological Service's Manual:	98%	98%	Nil
<ul style="list-style-type: none"> • completed to a specified format and in writing • concise, logical and grammatically correct • source and reason for referral are clearly stated • all relevant and appropriate information included • sources of information well documented and verified • clear statement of recommendations for further intervention • comply with the Code of Ethics of the NZ Psychological Society 1986. 			
Timeliness			
The percentage of Parole and District Prisons Boards reports provided within deadlines set by the boards	100%	100%	Nil

Comment

The number of Parole and District Prisons Board reports required is demand-driven. A significant increase in the volume of reports to the District Prisons Boards had been anticipated, as a result of requests for assessments in relation to the new sentence of home detention; however this did not eventuate.



Home Detention Assessments

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

Home Detention Assessments	Budget	Actual	Variance
Quantity			
The number of home detention specialist reports completed			
2,200 - 2,400	1,778	-422	(-19%)
Quality			
The percentage of home detention specialist reports provided to the standards contained in the Community Probation Service Manual:			
98%	97%	-1%	
<ul style="list-style-type: none"> • written reports in a specified format • verification process specified or reason for no verification • concise, logical and grammatically correct • statement of recommendations consistent with the law. 			
Timeliness			
The percentage of specialist home detention reports provided within two weeks of request			
98%	97%	-1%	

Comment

The percentage of home detention reports written to home detention orders granted has continued to reduce throughout the year. The Services are writing less reports per successful release decision than at the start of the scheme and this indicates the continued confidence and use of home detention by the judiciary and the Boards.

OUTPUT CLASS 2: COMMUNITY-BASED SENTENCES AND ORDERS

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

The services provided meet the terms of judicial decisions on sentence in each case, and also provide opportunities for offenders to acknowledge their responsibilities and address offending behaviour.



Output Class Statement: Community-based Sentences and Orders *for the year ended 30 June 2001*

Actual 30/6/00 \$000		Actual 30/6/01 \$000	Main Estimates \$000	Supp. Estimates \$000
Revenue				
46,593	Crown	50,160	48,390	50,160
0	Other	0	0	0
46,593	Total revenue	50,160	48,390	50,160
46,560	Total expenses	50,061	48,390	50,160
33	Net surplus/(deficit)	99	0	0



Community Service Sentences

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

Community Service Sentences			
	Budget	Actual	Variance
Quantity			
The number of community service sentences	8,750 - 9,750	8,387	-363 (-4%)
Quality			
The percentage of offenders who successfully complete a community service sentence	74%	71%	-3%
Outcome			
The percentage of offenders reconvicted for an offence committed within 12 months of completion of their sentence and given a sentence administered by the Department ³	Not defined	19%	n/a
The percentage of offenders imprisoned for an offence committed within 12 months of the completion of their sentence	5%	3%	-2%
The percentage of offenders reconvicted for an offence committed within 24 months of completion of their sentence and given a sentence administered by the Department ³	Not defined	27%	n/a
The percentage of offenders imprisoned for an offence committed within 24 months of the completion of their sentence	Not defined	5%	n/a

Comment

The number of offenders being sentenced to a community service sentence has continued to decline. This is, in part, due to the Department for Courts' increased level of enforcement in respect of the collection of outstanding fines. It also appears that in some areas a number of offenders are receiving fines where they may have previously received a sentence of community service.

³ When measured against conviction dates as opposed to offence dates in recidivism measures, the previous rate of conviction (excluding fines) was 25 percent. It is also intended that information reporting progress made towards the achievement of this outcome measure will be available by categories such as ethnicity and gender.

Community Programme Sentences

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

Community Programme Sentences	Budget	Actual	Variance
Quantity			
The number of community programme sentences	250 - 300	230	-20 (-8%)
Quality			
The percentage of offenders who successfully complete a community programme sentence	60%	71%	11%
Outcome			
The percentage of offenders reconvicted for an offence committed within 12 months of completion of their sentence and given a sentence administered by the Department ⁴	Not defined	37%	n/a
The percentage of offenders imprisoned for an offence committed within 12 months of the completion of their sentence	15%	14%	-1%



⁴ When measured against conviction dates as opposed to offence dates in recidivism measures, the previous rate of conviction (excluding fines) was 40 percent. It is also intended that information reporting progress made towards the achievement of this outcome measure will be available by categories such as ethnicity and gender.

The percentage of offenders reconvicted for an offence committed within 24 months of completion of their sentence and given a sentence administered by the Department ⁵				Not defined	48%	n/a
The percentage of offenders imprisoned for an offence committed within 24 months of the completion of their sentence				Not defined	24%	n/a

Comment

The number of offenders being sentenced to a community programme has continued to decline over successive financial years. This may be due in part to the significant amount of time required to organise a community programme for individual offenders and the flow-on impacts in terms of delaying sentencing. Research indicates that there are a number of factors that affect the use of this order:

- perceptions about this order vary between judges, staff, policy and sponsors, and within these groups
- judicial concern about the length of time required to establish these orders and issues related to policing offender compliance
- resourcing of sponsors for the undertaking of community programme orders (community organisations and individuals) is a recurring issue, with needs ranging from transport costs for the sponsor to full residential programme costs
- problems exist with the availability of suitable sponsors and the lack of clarity of their role.

⁵ When measured against conviction dates as opposed to offence dates in recidivism measures, the previous rate of conviction (excluding fines) was 40 percent. It is also intended that information reporting progress made towards the achievement of this outcome measure will be available by categories such as ethnicity and gender.



Supervision Sentences

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

Supervision Sentences		Budget	Actual	Variance
Quantity				
The number of supervision sentences	8,750 - 9,750	8,313	-437 (-5%)	
Quality				
The percentage of offenders who comply with the special conditions imposed as part of their sentence	68%	68%	Nil	
Outcome				
The percentage of offenders reconvicted for an offence committed within 12 months of completion of their sentence and given a sentence administered by the Department ⁶	Not defined	40%	n/a	
The percentage of offenders imprisoned for an offence committed within 12 months of the completion of their sentence	15%	16%	1%	
The percentage of offenders reconvicted for an offence committed within 24 months of completion of their sentence and given a sentence administered by the Department ⁶	Not defined	45%	n/a	
The percentage of offenders imprisoned for an offence committed within 24 months of the completion of their sentence	Not defined	20%	n/a	



⁶ When measured against conviction dates as opposed to offence dates in recidivism measures, the previous rate of conviction (excluding fines) was 40 percent. It is also intended that information reporting progress made towards the achievement of this outcome measure will be available by categories such as ethnicity and gender.



Periodic Detention Sentences

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

Periodic Detention Sentences		Budget	Actual	Variance
Quantity				
The number of periodic detention sentences	19,500 - 20,500		20,433	Nil
Quality				
The percentage of offenders who successfully complete a periodic detention sentence		70%	69%	-1%
Outcome				
The percentage of offenders reconvicted for an offence committed within 12 months of completion of their sentence and given a sentence administered by the Department ⁷	Not defined		38%	n/a
The percentage of offenders imprisoned for an offence committed within 12 months of the completion of their sentence	15%		14%	-1%
The percentage of offenders reconvicted for an offence committed within 24 months of completion of their sentence and given a sentence administered by the Department ⁷	Not defined		50%	n/a
The percentage of offenders imprisoned for an offence committed within 24 months of the completion of their sentence	Not defined		21%	n/a

⁷ When measured against conviction dates as opposed to offence dates in recidivism measures, the previous rate of conviction (excluding fines) was 45 percent. It is also intended that information reporting progress made towards the achievement of this outcome measure will be available by categories such as ethnicity and gender.

Home Detention Orders

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

Home Detention Orders	Budget	Actual	Variance
Quantity			
The number of offenders directed to complete a home detention order	780	772	-8 (-1%)
Quality			
The percentage of offenders on programmes which address their rehabilitative needs or are in employment	95%	96%	1%
Outcome			
The percentage of offenders reconvicted for an offence committed within 12 months of completion of their order and given an order administered by the Department ⁸	Not defined	27% ⁹	n/a
The percentage of offenders reimprisoned for an offence committed within 12 months of the completion of their order	Not defined	11% ⁹	n/a



⁸ When measured against conviction dates as opposed to offence dates in recidivism measures, the previous rate of conviction (excluding fines) was 40 percent. It is also intended that information reporting progress made towards the achievement of this outcome measure will be available by categories such as ethnicity and gender.

⁹ This is a weighted average recidivism index figure of Home Detention ex Prison and Home Detention ex Courts.

Habilitation Centre Orders

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

Habilitation Centre Orders	Budget	Actual	Variance
Quantity			
The number of offenders directed to complete a habilitation centre order	30 - 50	59	9 (18%)
Quality			
The percentage of offenders who successfully complete their habilitation centre order	60%	43%	-17%
Outcome¹⁰			
The percentage of offenders reconvicted for an offence committed within 12 months of completion of their order and given an order administered by the Department ¹¹	Not defined	25%	n/a
The percentage of offenders reimprisoned for an offence committed within 12 months of the completion of their order	Not defined	20%	n/a
The percentage of offenders reconvicted for an offence committed within 24 months of completion of their order and given an order administered by the Department ¹¹	Not defined	39%	n/a

Comment

A larger than expected number of offenders were assessed as being suitable for placement at contracted Habilitation Centres than was originally anticipated.

Several factors contributed to the overall completion rate for the year:

- the programme offered by the Salisbury Street Foundation is attended by offenders for a period of between six and 10 months. A number of offenders who commenced in the 2000/01 financial year are not due to exit the programme until the 2001/02 year.
- the removal of offenders from programmes where compliance and responsiveness of individual offenders became an issue.

¹⁰ 24 month outcome reporting results for imprisonment were not significant.

¹¹ When measured against conviction dates as opposed to offence dates in recidivism measures, the previous rate of conviction (excluding fines) was 45 percent. It is also intended that information reporting progress made towards the achievement of this outcome measure will be available by categories such as ethnicity and gender.

Parole Board Orders

This output entails administering an order imposed by the Parole Board, which is administered by a Probation Officer. It may include:

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

The output also encompasses the provision of residential programmes that assist offenders to identify the causes of their offending.



Parole Board Orders	Budget	Actual	Variance
Quantity			
The number of inmates directed to complete a parole order	160 - 180	203	23 (13%)
Quality			
The percentage of offenders who comply with the special conditions imposed as part of their order	35%	72%	37%
Outcome			
The percentage of offenders reconvicted for an offence committed within 12 months of completion of a discretionary release order and given an order administered by the Department ¹²	Not defined	17%	n/a
The percentage of offenders reimprisoned for an offence committed within 12 months of the completion of a discretionary release order	Not defined	6%	n/a
The percentage of offenders reconvicted for an offence committed within 12 months of completion of a mandatory release order and given an order administered by the Department ¹²	Not defined	46%	n/a

¹² When measured against conviction dates as opposed to offence dates in recidivism measures, the previous rate of conviction (excluding fines) was 45 percent. It is also intended that information reporting progress made towards the achievement of this outcome measure will be available by categories such as ethnicity and gender.

The percentage of offenders reimprisoned for an offence committed within 12 months of the completion of a mandatory release order	Not defined	19%	n/a
The percentage of offenders reconvicted for an offence committed within 24 months of completion of a discretionary release order and given an order administered by the Department ¹³	Not defined	22%	n/a
The percentage of offenders reimprisoned for an offence committed within 24 months of the completion of a discretionary release order	Not defined	8%	n/a
The percentage of offenders reconvicted for an offence committed within 24 months of completion of a mandatory release order and given an order administered by the Department ¹³	Not defined	56%	n/a
The percentage of offenders reimprisoned for an offence committed within 24 months of the completion of a mandatory release order	Not defined	33%	n/a

Comment

During the course of the 2000/01 financial year the number of inmates appearing before the Parole Board has increased by approximately 24 percent, with the Board sitting for an additional seven days over that originally planned. The flow-on effect from this has led to the increase in the number of offenders commencing parole.

A greater focus on the rehabilitation of offenders has resulted in greater clarity of the definition of special conditions and compliance attached to an individual offender's parole order. This also allows the Department to better assess and target special conditions to increase an offender's chances of being successfully rehabilitated and integrated back into the community. The performance standard for this performance measure has been increased for the 2001/02 financial year.

¹³ When measured against conviction dates as opposed to offence dates in recidivism measures, the previous rate of conviction (excluding fines) was 40 percent. It is also intended that information reporting progress made towards the achievement of this outcome measure will be available by categories such as ethnicity and gender.

District Prisons Boards Parole Orders

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

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

The output also encompasses the provision of residential programmes that assist offenders to identify the causes of their offending.



District Prisons Boards Parole Orders	Budget	Actual	Variance
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Quantity

The number of inmates directed to complete a District Prisons Boards parole order

2,120 - 2,340	2,235	Nil
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Quality

The percentage of offenders who comply with the special conditions imposed as part of their order

35%	74%	39%
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Outcome

The percentage of offenders reconvicted for an offence committed within 12 months of completion of a discretionary release order and given an order administered by the Department¹⁴

Not defined	26%	n/a
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The percentage of offenders reimprisoned for an offence committed within 12 months of the completion of a discretionary release order

Not defined	14%	n/a
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¹⁴ When measured against conviction dates as opposed to offence dates in recidivism measures, the previous rate of conviction (excluding fines) was 40 percent. It is also intended that information reporting progress made towards the achievement of this outcome measure will be available by categories such as ethnicity and gender.

The percentage of offenders reconvicted for an offence committed within 12 months of completion of a mandatory release order and given an order administered by the Department ¹⁵	Not defined	35%	n/a
The percentage of offenders reimprisoned for an offence committed within 12 months of the completion of a mandatory release order	Not defined	21%	n/a
The percentage of offenders reconvicted for an offence committed within 24 months of completion of a discretionary release order and given an order administered by the Department ¹⁵	Not defined	40%	n/a
The percentage of offenders reimprisoned for an offence committed within 24 months of the completion of a discretionary release order	Not defined	22%	n/a
The percentage of offenders reconvicted for an offence committed within 24 months of completion of a mandatory release order and given an order administered by the Department ¹⁵	Not defined	48%	n/a
The percentage of offenders reimprisoned for an offence committed within 24 months of the completion of a mandatory release order	Not defined	32%	n/a

Comment

A greater focus on the rehabilitation of offenders has resulted in greater clarity of the definition of special conditions and compliance attached to an individual offender's parole order. This also allows the Department to better assess and target special conditions to increase an offender's chances of being successfully rehabilitated and integrated back into the community. The performance standard for this performance measure has been increased for the 2001/02 financial year.

¹⁵ When measured against conviction dates as opposed to offence dates in recidivism measures, the previous rate of conviction (excluding fines) was 40 percent. It is also intended that information reporting progress made towards the achievement of this outcome measure will be available by categories such as ethnicity and gender.

OUTPUT CLASS 3: CUSTODIAL SENTENCES

This class of outputs involves the provision of custodial services and the administration of custodial sentences in safe, secure and humane conditions for inmates classified as maximum, medium and minimum security (or in special units) and for women, youth and corrective trainees. Also included is the provision of drug testing, drug control and detection initiatives.

The Minister of Corrections will expect the services provided to meet the conditions of sentence in each case, and also provide opportunities for recipients to learn of their responsibilities as members of New Zealand society.



Output Class Statement: Custodial Sentences for the year ended 30 June 2001

Actual 30/6/00 \$000	Actual 30/6/01 \$000	Main Estimates \$000	Supp. Estimates \$000
Revenue			
210,308 Crown	227,604	228,497	227,604
0 Other	0	0	0
210,308 Total revenue	227,604	228,497	227,604
210,095 Total expenses	225,274	228,497	227,604
213 Net surplus/(deficit)	2,330	0	0

Custodial Services – Maximum Security – Men's Prisons

This output includes the administration of sentences of imprisonment for inmates classified in maximum security. It incorporates the costs of accommodation, security, transport, sentence management (including assessment), food and medical care, but not the cost of rehabilitation, employment and other interventions.

Custodial Services – Maximum Security – Men's Prisons	Budget	Actual	Variance
Quantity			
The average number of maximum security sentenced inmates	145 ¹⁶	163	18 (12%)
Quality			
The percentage of sentenced inmates with inmate management plans prepared and implemented to the criteria contained in the Public Prisons' Policy and Procedures Manual: ¹⁷	100%	100%	Nil
<ul style="list-style-type: none"> • on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action • assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available • the inmate is placed into the appropriate work/programme • the inmate attends the allocated work/programme • all information is recorded and filed on the inmate's file • case management plans are reviewed as per the plan. 			
The number and percentage (of the average number of inmates) of breakouts per annum be no more than	0 (0%)	0 (0%)	Nil
The number and percentage of non-returns from temporary release per annum be no more than	0 (0%)	0 (0%)	Nil
The number and percentage (of the average number of inmates) of all other escapes per annum be no more than	0 (0%)	0 (0%)	Nil

¹⁶ The increase in the average number of maximum security sentenced inmates reflects an estimation based on actual numbers for 1999/2000 and the projected general increase in the total number of sentenced inmates for 2000/01. This increase has resulted in adjustment to the average number of medium security sentenced inmates.

¹⁷ The contents of case management plans for maximum security inmates are different from those of lower classification inmates. Work opportunities and group-based programme activities are significantly restricted for this classification of inmate, with an emphasis for a number of maximum security inmates being the completion of the behaviour modification regime.

Outcome

The percentage of inmates
reimprisoned within 12 months

of their release from prison	Not defined	55%	n/a
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The percentage of inmates
reimprisoned within 24 months

of their release from prison	Not defined	81%	n/a
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Comment

The number of maximum security sentenced inmates is driven in large part by the judiciary and reflects the number and severity of offences for which offenders are being convicted and sentenced in the courts. Increased compliance with internal procedures on security classifications may also have contributed.

From the 1996/97 year to the 2000/01 year there have been no breakout escapes by maximum security inmates.



Custodial Services – Medium Security – Men's Prisons

This output includes the administration of sentences of imprisonment for inmates classified in medium security. It incorporates the costs of accommodation, security, transport, sentence management (including assessment), food and medical care, but not the cost of rehabilitation, employment and other interventions.

Custodial Services – Medium Security – Men's Prisons	Budget	Actual	Variance
Quantity			
The average number of medium security sentenced inmates	1,816	2,461	645 (36%) ¹⁸
Quality			
The percentage of sentenced inmates with inmate management plans prepared and implemented to the criteria contained in the Public Prisons' Policy and Procedures Manual:			
	100%	98%	-2%
<ul style="list-style-type: none"> on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available the inmate is placed into the appropriate work/programme the inmate attends the allocated work/programme all information is recorded and filed on the inmate's file case management plans are reviewed as per the plan. 			
The number and percentage (of the average number of inmates) of breakouts per annum be no more than	6 (0.35%)	3 (0.12%)	-3
The number and percentage of non-returns from temporary release per annum be no more than	2 (0.1%)	0 (0%)	-2
The number and percentage (of the average number of inmates) of all other escapes per annum be no more than	16 (0.9%)	6 (0.24%)	-10

¹⁸ This performance measure was changed within the 2000/01 Supplementary Estimates process to 2,380 making the variance 3 percent.

Outcome

The percentage of inmates
reimprisoned within 12 months
of their release from prison

Not defined

53%

n/a

The percentage of inmates
reimprisoned within 24 months
of their release from prison

Not defined

70%

n/a

Comment

There is a pleasing trend with the number of breakout escapes by medium security inmates reducing from 16 in 1996/97 to three in 2000/01. This reflects the attention the Department has placed on improving physical security.

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



B

Custodial Services - Minimum Security - Men's Prisons

Custodial Services – Minimum Security – Men's Prisons

This output includes the administration of sentences of imprisonment for inmates classified in minimum security. It incorporates the costs of accommodation, security, transport, sentence management (including assessment), food and medical care, but not the cost of rehabilitation, employment and other interventions.

Custodial Services – Minimum Security – Men's Prisons	Budget	Actual	Variance
Quantity			
The average number of minimum security sentenced inmates	2,700	2,075	-625 (-23%) ¹⁹
Quality			
The percentage of sentenced inmates with inmate management plans prepared and implemented to the criteria contained in the Public Prisons' Policy and Procedures Manual:			
	100%	99%	-1%
<ul style="list-style-type: none"> on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available the inmate is placed into the appropriate work/programme the inmate attends the allocated work/programme all information is recorded and filed on the inmate's file case management plans are reviewed as per the plan. 			
The number and percentage (of the average number of inmates) of breakouts per annum be no more than	2 (0.07%)	2 (0.09%)	Nil
The number and percentage of non-returns from temporary release per annum be no more than	16 (0.6%)	1 (0.05%)	-15
The number and percentage (of the average number of inmates) of all other escapes per annum be no more than	16 (0.6%)	13 (0.6%)	-3

¹⁹ This performance measure was changed within the 2000/01 Supplementary Estimates process to 2,160 making the variance -4 percent.

Outcome

The percentage of inmates
reimprisoned within 12 months

of their release from prison	Not defined	17%	n/a
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The percentage of inmates
reimprisoned within 24 months

of their release from prison	Not defined	32%	n/a
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Comment

The level of breakout escapes by minimum security inmates has significantly decreased from eight in 1996/97 to two in 2000/01. This is indicative of the effort the Department has made to improve physical security at all custodial facilities.

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



Custodial Services – Women Inmates

This output includes the administration of sentences of imprisonment for women inmates. It incorporates the costs of accommodation, security, transport, sentence management (including assessment), food and medical care, but not the cost of rehabilitation, employment and other interventions.

Custodial Services – Women Inmates	Budget	Actual	Variance
Quantity			
The average number of maximum security sentenced inmates	6	5	-1 (-17%)
The average number of medium security sentenced inmates	119	111	-8 (-7%) ²⁰
The average number of minimum security sentenced inmates	120	161	41 (34%) ²⁰
The average number of corrective trainees	0	1	1
Quality			
The percentage of sentenced inmates with inmate management plans prepared and implemented to the criteria contained in the Public Prisons' Policy and Procedures Manual:			
	100%	98%	-2%
<ul style="list-style-type: none"> on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available the inmate is placed into the appropriate work/programme the inmate attends the allocated work/programme all information is recorded and filed on the inmate's file case management plans are reviewed as per the plan. 			
The number and percentage of breakouts per annum be no more than	2 (0.08%)	0 (0%)	-2
The number and percentage of non-returns from temporary release per annum be no more than	2 (0.08%)	0 (0%)	-2
The number and percentage (of the average number of inmates) of all other escapes per annum be no more than	2 (0.08%)	1 (0.36%)	-1

²⁰ This performance measure was changed within the 2000/01 Supplementary Estimates process to 105 (medium security sentenced inmates) making the variance 6 percent, and 155 (minimum security sentenced inmates) making the variance 4 percent.

Outcome

The percentage of inmates reimprisoned within 12 months of their release from prison	New standard	New standard	n/a
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Comment

The number of maximum and medium sentenced inmates is driven in large part by the judiciary and reflects the number and severity of offences for which offenders are being convicted and sentenced in the courts. The judiciary also drives the number of corrective trainees, which reflects the sentencing decisions of courts.

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



Custodial Services – Youth / Corrective Training

This output incorporates the administration of sentences of imprisonment for those male inmates sentenced to corrective training as well as the provision, following the allocation of specific funding, of new youth units to accommodate those who have been assessed as vulnerable. The output incorporates the costs of accommodation, security, transport, sentence management (including assessment), food and medical care, but not the cost of rehabilitation, employment and other interventions.

Custodial Services – Youth / Corrective Training			
	Budget	Actual	Variance
Quantity			
The average number of male sentenced inmates held in youth units			
	56	59	3 (5%)
The average number of male corrective trainees			
	58	21	-37 (-64%)
Quality			
The percentage of sentenced inmates with inmate management plans prepared and implemented to the criteria contained in the Public Prisons' Policy and Procedures Manual:			
	100%	99%	-1%
<ul style="list-style-type: none"> on induction, each inmate is provided verbally and in writing with accurate and timely information on the operation and rules of the institution and the entitlements of inmates. Inmates are informed of their obligations, rights, privileges and their access to services in a way they can understand. The inmate's immediate needs are addressed or referred for prompt action assessment interviews include prison staff and the inmate and take into account any pre-sentence reports that are available the inmate is placed into the appropriate work/programme the inmate attends the allocated work/programme all information is recorded and filed on the inmate's file case management plans are reviewed as per the plan. 			
The number and percentage of breakouts per annum			
• youth units	0 (0%)	0 (0%)	Nil
• corrective training	1 (1.7%)	0 (0%)	-1
The number and percentage (of the average number of inmates) of all other escapes per annum			
• youth units	0 (0%)	0 (0%)	Nil
• corrective training	5 (8.6%)	1 (4.8%)	-4

Outcome

The percentage of corrective trainees
reimprisoned within 12 months

of their release from prison	Not defined	38%	n/a
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The percentage of corrective trainees
reimprisoned within 24 months

of their release from prison	Not defined	48%	n/a
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Comment

The under-forecast number of corrective trainees reflects the sentencing decisions of the Judiciary and is outside the control of the Department. The trend in the declining use of corrective training is likely to continue with its proposed abolition under the Sentencing Reform Bill.

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





Drug Reduction

This output focuses on the identification of drug users in prisons through the administration of both general programme and other drug screening tests. It includes costs of checkpoint drug control activities, drug dog services and other activities undertaken alone or with other agencies directed at limiting inmates' access to drugs.

Drug Reduction	Budget	Actual	Variance
Quantity			
The number of general programme random drug screening tests carried out	2,470-2,700 ²¹	3,200	500 (19%)
The number of other drug screening tests carried out ²²	5,940-6,600	6,210	Nil
Quality			
The annual average percentage of general programme random drug screening tests returning a positive result	20%	20%	Nil

Comment

The higher-than-anticipated number of random drug screening tests carried out was a result of two issues. Initially, the Department's computer generated selector for general random tests was set at too-high a level in the first quarter of the year, and was subsequently corrected. However, the number of inmates selected to undertake tests was also more than anticipated for the full year.

The target of reducing positive random drug tests to 20 percent has been achieved. This is down from 35 percent in 1998, when random drug screening testing began.

²¹ Numbers are based on an estimate of 4,000-4,500 eligible inmates. Total tests undertaken will be between 8,410-9,300.

²² Other drug screening tests are defined as those undertaken on either "reasonable grounds" or on a voluntary basis and random testing of inmates returning from temporary release and identified drug users.

OUTPUT CLASS 4: REHABILITATIVE PROGRAMMES AND REINTEGRATIVE SERVICES

This output class involves the provision and administration of prison and community-based criminogenic and reintegrative programmes and services. These may incorporate psychological services, and are designed to address the underlying causes of criminal re-offending. Also included is the provision of reintegrative support services to offenders and their families/whanau.

Output Class Statement: Rehabilitative Programmes and Reintegrative Services *for the year ended 30 June 2001*

Actual 30/6/00 \$000		Actual 30/6/01 \$000	Main Estimates \$000	Supp. Estimates \$000
Revenue				
29,962	Crown	35,540	34,504	35,540
0	Other	0	0	0
29,962	Total revenue	35,540	34,504	35,540
29,866	Total expenses	35,056	34,504	35,540
96	Net surplus/(deficit)	484	0	0



Rehabilitative Programmes – Straight Thinking

This output entails the delivery of Straight Thinking programmes. The aim of this programme is to assist offenders to address one of the main causes of their offending, that is the lack of critical reasoning required for effective social integration.

Rehabilitative Programmes – Straight Thinking	Budget	Actual	Variance
Quantity			
The number of offenders attending a Straight Thinking programme:			
• Community Probation Service	1,184	884	-300 (-25%)
• Public Prisons Service	1,306	1,318	12 (1%)
The number of hours offenders spend attending a Straight Thinking Programme:			
• Community Probation Service	70,448	39,125	-31,323 (-44%)
• Public Prisons Service	91,420	78,787	-12,633 (-14%) ²³
Quality			
The percentage of offenders who have completed a Straight Thinking programme:			
• Community Probation Service	65%	60%	-5%
• Public Prisons Service	80%	79%	-1%

Comment

A reduction in the availability of trained Straight Thinking facilitators combined with competing requirements such as staff training related to the introduction of IOM has impacted on the number of programmes run throughout the 2000/01 financial year. As part of an overall strategy to address issues related to the retention of Straight Thinking facilitators, the Community Probation Service has been training a number of additional Straight Thinking facilitators who are progressively becoming available to deliver programmes.

²³ This performance measure was changed within the 2000/01 Supplementary Estimates process to 78,630 - 85,950 making the variance Nil.

Rehabilitative Programmes – National Certificate in Employment Skills

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

Rehabilitative Programmes – National Certificate in Employment Skills	Budget	Actual	Variance
Quantity			
The number of inmates who commence study towards a National Certificate in Employment Skills	800	1,843	1,043 (130%)
Quality			
The percentage of inmates who obtain a National Certificate in Employment Skills	80%	91%	11%



Comment

Since the national roll-out of the National Certificate in Employment Skills (NCES), the Department has made significant progress towards expanding the delivery of NCES at all prison sites. This has seen a significant number of inmates commence their study towards the attainment of NCES. This trend is expected to continue in the future as regions reach their optimum level of capability. However, the rate of progress is likely to slow as this level is reached.

The Department measures module completion rather than NCES as a whole, the attainment of which will cross a number of financial years. NCES modules delivered included:

- numeracy (such as calculation with whole numbers and the use of standard units of measurement)
- literacy (such as reading text to gain knowledge and reading for practical purposes)
- general usage (such as health and safety in the workplace and keyboarding skills).

NCES was introduced in prisons because of the appropriate level at which it addressed the educational deficiencies displayed by inmates. Coupled with the motivational level of inmates to successfully complete programmes, this has seen a higher-than-expected number of inmates complete individual modules.

Rehabilitative Programmes – Tikanga Māori Programmes including those delivered in Māori Focus Units

This output incorporates offenders’ attendance at tikanga Māori programmes. These programmes use Māori philosophy, values, knowledge and practices to emphasise the relationship of the individual with their social-cultural environment and to foster the regeneration of Māori identity, self-esteem and values so that the criminogenic needs of offenders can be met.

Rehabilitative Programmes – Tikanga Māori Programmes including those delivered in Māori Focus Units			
	Budget	Actual	Variance
Quantity			
The number of offenders attending a tikanga Māori Programme:			
• Community Probation Service	368	407	39 (11%)
• Public Prisons Service	943	1,266	323 (34%)
Quality			
The percentage of offenders completing a tikanga Māori Programme			
• Community Probation Service	65%	60%	-5%
• Public Prisons Service	75%	99%	24%

Comment

Because of the significant proportion of Māori that make up the prison population, the Department recognises that meeting the tikanga needs of inmates plays an important role in their rehabilitation and reintegration. The Department, therefore, continues to enhance its provision of tikanga programmes to inmates where the need exists, and additional programmes have been made available in a number of prisons where appropriate.

In general, the prisons’ tikanga Māori programmes are delivered by way of a three-day wananga and one-day follow-up. This environment is proving effective in encouraging and motivating inmates to complete the programme.

The progressive implementation of Te Wairua O Nga Tangata across the Community Probation Service progressed quicker than originally anticipated, allowing more offenders than originally anticipated to commence a programme.

Rehabilitative Programmes – Other Rehabilitative Programmes

This output incorporates the provision and administration of other prison and community-based criminogenic programmes, which are designed to address the underlying causes of criminal re-offending. Included in this category are violence prevention (except treatment units and Montgomery House), drug and alcohol programmes, sex offender treatment programmes, Māori-based therapeutic programmes and the Making Our Drivers Safer Programme, all of which are undertaken in the community.

Rehabilitative Programmes – Other Rehabilitative Programmes	Budget	Actual	Variance
Quantity			
The number of hours offenders spend attending other rehabilitative programmes: ²⁴			
• Community Probation Service	7,000 - 9,000	3,730	-3,270 (-47%)
• Public Prisons Service	69,000-76,000	227,368	151,368 ²⁵ (199%)
Quality			
The percentage of offenders who complete rehabilitative programmes:			
• Community Probation Service	65%	62%	-3%
• Public Prisons Service	75%	63%	-12%

Comment

The lower-than-anticipated number of offenders completing rehabilitative programmes in part reflects the timing of programmes, which run across financial years and are completed in subsequent periods. It also reflects the nature of some rehabilitative interventions such as EQUIP, which allow for the continuous recycling of inmates through the programme given their continued need.

In addition to Straight Thinking, tikanga Māori and IOM criminogenic programmes, the Community Probation Service also purchased a number of places on programmes operated by providers in the community. In the 2000/01 financial year this resulted in over 139,000 hours of programmes being provided to nearly 3,000 offenders. The average completion rate of programmes provided in the community was 50 percent.

²⁴ In future years the Department intends to specify as separate outputs the programmes undertaken in Māori Focus Units, Youth Units and drug and alcohol units.

²⁵ This performance measure was changed within the 2000/01 Supplementary Estimates process to 234,155 making the variance -3 percent.



Rehabilitative Programmes – Sex Offender Treatment Units

This output incorporates sex offender treatment programmes, which include the delivery of group-based treatment to inmates convicted of sex offending against children. The special treatment units are the Kia Marama Sex Offender Unit and the Te Piriti Sex Offender Unit.

Rehabilitative Programmes – Sex Offender Treatment Units	Budget	Actual	Variance
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Quantity

The number of hours inmates spend attending a programme at:

• Kia Marama	12,500	12,172	-328 (-3%)
• Te Piriti	12,500	12,944	444 (4%)

The number of inmates starting a programme at:

• Kia Marama	40	41	1 (3%)
• Te Piriti	40	39	-1 (-3%)

The number of programmes completed per year at:

• Kia Marama	5	5	Nil
• Te Piriti	4	4	Nil

Quality

The number of inmates completing a programme²⁶ at:

Kia Marama	38	37	-1 (-3%)
Te Piriti	38	39	1 (3%)

The percentage of programmes completed at Kia Marama and Te Piriti where all the components described below were delivered: 100% 95% -5%

- norm building
- construction of offence chain incorporating challenging cognitive distortions
- sexual arousal reconditioning
- victim impact and empathy
- social skills, relationship skills and sex education
- mood, anger and stress management and problem solving
- relapse prevention
- release planning.

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

Rehabilitative Programmes – Violence Prevention Treatment Unit and Montgomery House

This output incorporates violence prevention programmes. The programmes include the delivery of group-based treatment to violent inmates in the Rimutaka Violence Prevention Unit at Rimutaka Prison and to those directed to complete a violence prevention programme at Montgomery House.

Rehabilitative Programmes – Violence Prevention Treatment Unit and Montgomery House	Budget	Actual	Variance
Quantity			
The number of inmates starting a violence prevention programme at Rimutaka Prison	30	32	2 (7%)
The number of hours inmates spend attending a violence prevention programme at Rimutaka Prison	7,700	8,315	615 (8%)
The number of offenders directed to complete a violence prevention programme at Montgomery House	32	23	-9 (-28%)
The number of psychologist hours provided to Montgomery House	740	701	-39 (-5%)
Quality			
The number of violence prevention programmes completed at Rimutaka Prison per year	4	4	Nil
The number of inmates completing a violence prevention programme at Rimutaka Prison ²⁷	28	23	-5 (-18%)
The percentage of violence prevention programmes completed at Rimutaka Prison where all the components described below were delivered:	100%	100%	Nil
<ul style="list-style-type: none"> • offence cycle motivation, goal setting • challenging cognitive distortions • victim empathy • emotional regulation skills/anger and stress management • communication/relationship skills/problem solving • substance abuse • moral education • relapse prevention/release planning • cultural awareness. 			



²⁷ Violence prevention programmes at Rimutaka Prison have a nine-month duration and may run across financial years. Therefore the numbers of inmates completing the programme during the financial year will not directly correlate to the number who started during the financial year.

The percentage of assessments for Montgomery House programmes for which all of the following information elements

were assessed:	100%	100%	Nil
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- informed consent
- absence of psychiatric disorder
- sufficiency of intellectual functioning
- potential to accept responsibility
- exhibits a potential for improvement

The percentage of offenders who successfully complete their violence prevention programme at Montgomery House:

75%	72%	-3%
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The percentage of post-programme assessments for Montgomery House programmes completed by a psychologist:

100%	100%	Nil
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The percentage of clinical monitoring reports for Montgomery House programmes that

adhere to the following standards:	100%	100%	Nil
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- concise, logical and grammatically correct
- comments and recommendations relating to each service being delivered under the contract
- sources of information are well documented and verified
- clear statements of recommendations.

Timeliness

The percentage of clinical monitoring reports for Montgomery House programmes provided within agreed timeframes

100%	100%	Nil
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Comment

The numbers of inmates and programme delivery hours within Rimutaka Prison were increased to supplement and reduce the high attrition rate related to violence prevention programmes (a 20 percent attrition rate is usually found with violent offenders).

During the course of the year there were a number of occurrences where offenders assessed as suitable for acceptance onto the programme at Montgomery House were withdrawn before they commenced due to a change in their Identified Drug User status.

Provision of Psychological Services

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

Provision of Psychological Services	Budget	Actual	Variance
Quantity			
Psychological consultation hours provided to the:			
• Community Probation Service	11,300-12,500	12,048	Nil
• Public Prisons Service	14,345-15,855 ²⁸	13,964	-381 (-3%)
Psychological reports provided to the:			
• Community Probation Service	1,216-1,344	1,201	-15 (-1%)
• Public Prisons Service	1,135-1,255	1,022	-113 (-10%)
Psychological consultation hours provided under the			
Bi-cultural Therapy Model	3,750-4,250	4,034	Nil

Quality

The percentage of psychological consultations which meet the following standards:

95%	100%	5%
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- a structured offender assessment interview is conducted
- confidentiality and consent issues are explained
- relevant history is obtained
- assessment measures are used (as appropriate)
- problems are presented clearly formulated
- treatment goals are specified (addressing assessed problems)
- appropriate interventions are used (based on current literature)
- adequate case notes are recorded for all sessions
- records are kept of ongoing measures or observations to monitor interventions
- assessment and treatment reports are completed and delivered.



²⁸ Includes 600 hours that are to be provided to the Auckland Central Remand Prison.

The percentage of psychological reports which meet the following standards outlined below:			
	95%	100%	5%
<ul style="list-style-type: none"> • concise, logical and grammatically correct • source and reason for referral are clearly stated • all relevant and appropriate information is included • sources of information are well documented and verified • clear statements of recommendations for further interventions • comply with the Psychologists' Code of Ethics. 			
The percentage of Māori Service Providers who comply with the following standards when delivering consultation hours under the Bicultural Therapy Model:			
	100%	100%	Nil
<ul style="list-style-type: none"> • all referrals follow locally agreed referral processes • provider has received induction from the Psychological Service • provider has signed a contract for services • treatment provided is centered around Māori values and beliefs using the principles of Kaupapa Māori and Nga Tikanga Māori • provider is mandated by the relevant Oversight Committee, comprising representatives of local iwi and the Psychological Service • a report is provided to the Psychological Service at the end of each referral. 			

Comment

Psychological reports are demand-driven targets that are a by-product of assessment and treatment consultations. These reports are generated at the end of the assessment and treatment and vary in length according to clients' requirements.

Reintegrative Services

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

Reintegrative Services	Budget	Actual	Variance
Quantity			
The number of hours delivered by the Public Prisons Service for reintegrative services	80,000-120,000	140,756	20,756 (17%)
The number of support service hours to be provided will not be more than ²⁹	38,850	45,767	6,917 (18%)
The number of offenders and their families/whanau receiving the service will be no more than	120	138	18 (15%)
Quality			
The percentage of reintegrative services provided by the Public Prisons Service in accordance with an offender's plan	90%	77%	-13%
The percentage of offenders receiving assistance with planning for release or discharge for which an action plan is developed ³⁰	95%	89%	-6%
The percentage of offenders and their families/whanau for whom a discharge plan is completed before their discharge from the service	100%	100%	Nil



²⁹ The New Zealand Prisoners Aid and Rehabilitation Society (NZPARS) is currently contracted by the Department to provide these services.

³⁰ NZPARS contract ended on 30 June 2000 and a new contract was renegotiated and commenced on 1 December 2000. The *Actual* figure reflects this five-month period. From December 2000 to June 2001, the quality measure for NZPARS has been "the total number and the percentage of referrals (urgent or otherwise) to NZPARS acknowledged within five working days of receipt", the results being 13,442 and 98%. This is an interim measure until IOM Reintegrative Services is implemented.



Comment

The results reflect, in part, the variability between prisons as to what constitutes reintegrative services. The Department is currently piloting a national framework for reintegrative services to be implemented in 2001/02. This, along with the roll-out of Integrated Offender Management (IOM), will assist prisons to improve sentence management and provide more consistent delivery of services that meet inmates' reintegrative needs.

A new contract has been re-negotiated with the New Zealand Prisoners Aid and Rehabilitation Society (NZPARS) to better reflect the reintegrative needs identified through IOM. Purchase of the revised service description commenced 1 December 2000 and is based on hours delivered under six IOM reintegrative service groups. The new contract has resulted in a change to the full year budget figure. NZPARS have indicated that delivery is demand driven. Hours delivered in excess of the contract targets are not funded.

NZPARS often provides one-off release tasks such as assisting with an inmate's day parole but does not consider this is an action plan and therefore does not record it as such. The offender does receive assistance with their planning for release or discharge but this does not always include the development of a formal plan.

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

The budget of 120 offenders and their families/whanau receiving the service refers to the number of offenders who will be able to obtain services at any one time. During the course of the year the Christchurch operation has continued to operate at less than its maximum level, while the Auckland operation has recently reached its target of assisting up to 60 offenders concurrently.

OUTPUT CLASS 5: INMATE EMPLOYMENT

Inmate employment contributes to one of the Government's key goals, which is to *"improve individuals' employment outcomes"*³¹, through the provision and administration of work activity and vocational training opportunities. These are designed to help address the underlying causes of criminal re-offending by assisting inmates to develop relevant work habits and skills, thereby increasing their chances for post-release employment and to help with their reintegration into society.

Output Class Statement: Inmate Employment for the year ended 30 June 2001



Actual 30/6/00 \$000		Actual 30/6/01 \$000	Main Estimates \$000	Supp. Estimates \$000
Revenue				
10,539	Crown	10,082	10,082	10,082
20,127	Other	23,388	19,298	23,498
30,666	Total revenue	33,470	29,380	33,580
30,442	Total expenses	33,516	29,380	33,580
224	Net surplus/(deficit)	(-46)	0	0

³¹ These are set out in the Budget Policy Statement of 8 March 2000.

Corrland

The output includes the provision of inmate employment and training opportunities in farm and other agri-business industries.

Corrland	Budget	Actual	Variance
Quantity			
The number of hours worked by inmates employed within Corrland	507,841	623,000	115,159 (23%)
The hectares (ha) of farms and forests operated by Corrland:			
Farms	ha	ha	
• Waikeria	1,063	1,063	Nil
• Tongariro	1,447	1,447	Nil
• Rangipo	1,400	1,400	Nil
• Christchurch	656	656	Nil
Forests	ha	ha	
• Tongariro	4,134	4,134	Nil
• Ohura	376	376	Nil
Quality			
The number of inmates within Corrland who receive recognised qualifications	500	551	51 (10%)
Economic farm surplus (EFS) per hectare			
	EFS/ha	EFS/ha	
• sheep and beef	\$130-\$200	\$253	\$53 (27%)
• dairy	\$700-\$800	\$2,127	\$1,327 (166%)
• mixed crop	\$50-\$100	n/a	n/a
• forest	\$750-\$800	\$967	\$167 (21%)

Comment

Through a combination of favourable climate conditions, a soft exchange rate and a continuous improvement in operational management, actual results have exceeded expectation. The growth in inmate employment initiatives during the year also exceeded expectations, creating additional hours of employment which can support the Department's overall targets.

Mixed cropping has been discontinued this year as the sheep and beef management provides a more profitable use of the Department's land resource.

Land-based Activities

This output includes predominantly primary sector industries, with a large proportion (particularly the horticultural produce) being consumed within the prison. From time to time there may be opportunities to get more inmates to work by producing goods and/or services externally.

Land-based Activities	Budget	Actual	Variance
Quantity			
The number of hours worked by inmates on land-based activities	743,052	682,995	-60,057 (-8%)
Quality			
The percentage of inmates undertaking inmate employment who receive a recognised industry qualification, certificate or record of achievement ³²	100%	tbd ³³	n/a



Comment

Fewer hours have been worked by inmates on land-based activities than anticipated, which is partly due to significant site development work at Rimutaka and Arohata Prisons restricting land-based activities at these sites.

³² If there is no recognised industry qualification or certificate then the Department will produce a record of achievement detailing the standard of performance of the inmate against predetermined criteria. Applies to inmates with a sentence of more than three months.

³³ The development of a certification system has been delayed due to redirection of resources towards implementing a new inmate employment structure.

B
Internal Service Self-Sufficiency Activities and Release-to-Work

Internal Service Self-Sufficiency Activities and Release-to-Work

This output is predominantly focused on internal self-sufficiency, although spare capacity will be utilised to generate external revenue wherever possible. This output includes activity categories such as:

- kitchens
- other internal servicing such as laundry and cleaning
- asset maintenance such as building maintenance, grounds/beautification activity and vehicle servicing.

Also included in this output are release-to-work opportunities, which are provided to low-risk inmates who meet various criteria. They are employed by private sector operators in accordance with the Department's release-to-work policy.

Internal Service Self-Sufficiency Activities and Release-to-Work	Budget	Actual	Variance
Quantity			
The number of hours worked by inmates on internal service self-sufficiency activities	3,014,975	3,051,835	36,860 (1%)
The number of hours worked by inmates on community service and release-to-work activities	192,446	136,281	-56,165 (-29%)
Quality			
The percentage of inmates undertaking inmate employment who receive a recognised industry qualification, certificate or record of achievement ³⁴	100%	tbd ³⁵	n/a

Comment

Community service and release-to-work activities are reliant upon both the opportunities being available in community-based employment and the goodwill of participating employers. There have been difficulties associated with meeting original targets due to a lack of demand.

³⁴ If there is no recognised industry qualification or certificate then the Department will produce a record of achievement detailing the standard of performance of the inmate against predetermined criteria. Applies to inmates with a sentence of more than three months.

³⁵ The development of a certification system has been delayed due to redirection of resources towards implementing a new inmate employment structure.

Manufacturing Activities

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

Manufacturing Activities	Budget	Actual	Variance
Quantity			
The number of hours worked by inmates on manufacturing activities	887,386	805,594	-81,792 (-9%)
Quality			
The percentage of inmates undertaking inmate employment who receive a recognised industry qualification, certificate or record of achievement ³⁶	100%	tbd ³⁷	n/a



Comment

A number of industries budgeted for development and expansion in 2000/01 were either delayed, or did not commence. For example, there were complications arising from variable weather conditions affecting Canterbury's nursery and propagation initiatives.

In addition, there were an increasing number of medium security inmates who were unable to work in certain industries due to security implications.

³⁶ If there is no recognised industry qualification or certificate then the Department will produce a record of achievement detailing the standard of performance of the inmate against predetermined criteria. Applies to inmates with a sentence of more than three months.

³⁷ The development of a certification system has been delayed due to redirection of resources towards implementing a new inmate employment structure.



Vocational Training Services

The purpose of this output is to provide training activities to inmates that relate directly to the acquisition of employment-related skills. It also includes courses to assist in getting drivers' licences and computer skills for commercial activities.

Vocational Training Services			
	Budget	Actual	Variance
Quantity			
The number of inmates who commence training towards the achievement of an externally recognised qualification			
	1,125	1,714	589 (52%)
Quality			
The percentage of inmates who receive an externally recognised qualification			
	40%	65%	25%

Comment

Implementation of vocational training commenced on schedule in September 2000. Since then a higher-than-anticipated inmate demand for vocational training has been accompanied by the Department's review and expansion of the programme, and this trend is expected to continue.

The greater-than-anticipated percentage of inmates receiving externally recognised qualifications partly reflects the motivation of inmates to complete and obtain recognised qualifications that will increase their chances of reintegration in the community, and also the quality of some programmes delivered. In 2001/02 the Department intends to place a greater emphasis on the delivery of higher-quality programmes that address the needs of inmates under IOM.

OUTPUT CLASS 6: CUSTODY OF REMAND INMATES

This class of outputs covers the provision of custodial remand services and facilities to hold people charged with offences, and offenders convicted but not yet sentenced, in safe, secure and humane conditions, and to enable their appearance before the courts as required.

Output Class Statement: Custody of Remand Inmates for the year ended 30 June 2001

Actual 30/6/00 \$000		Actual 30/6/01 \$000	Main Estimates \$000	Supp. Estimates \$000
Revenue				
30,047	Crown	42,696	37,510	42,696
0	Other	0	0	0
30,047	Total revenue	42,696	37,510	42,696
28,889	Total expenses	42,673	37,510	42,696
1,158	Net surplus/(deficit)	23	0	0





Custody of
Remand
Inmates

Custody of Remand Inmates

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

Custody of Remand Inmates		Budget	Actual	Variance
Quantity				
The average number of remand inmates held by:				
• Auckland Central Remand Prison	200	200	Nil	
• Public Prisons Service	430	698	268	
			(62%) ³⁸	
Quality				
The number and percentage (of the average number of inmates) of breakouts per annum be no more than				
• Auckland Central Remand Prison	0 (0%)	1 (0.5%)	1	
• Public Prisons Service	2 (0.3%)	1 (0.14%)	-1	
The number and percentage (of the average number of inmates) of all other escapes per annum be no more than				
• Auckland Central Remand Prison	0 (0%)	0 (0%)	0	
• Public Prisons Service	1 (0.2%)	0 (0%)	-1	

Comment

The judiciary controls the number of remand inmates held by the Department. The result reflects an increase in the number of remands as a consequence of the Bail Act 2000, which came into effect from 1 January 2001. The Department expects this trend to remain with a new plateau being reached for 2001/02. The level of breakout escapes by remand inmates in Public Prisons Service facilities has dropped from two in 1996/97 to one in the 2000/01 year. In 2000/01 year there was also one breakout escape from the privately-run Auckland Central Remand Prison. Additional preventative measures were put in place as a result of a review of operational procedures. Reporting against the Auckland Central Remand Prison (ACRP) is for the period 20 July 2000 to 30 June 2001 only, as ACRP received its first inmates on 20 July 2000.

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

³⁸ This performance measure was changed within the 2000/01 Supplementary Estimates process to 600 making the variance 16 percent.

OUTPUT CLASS 7: ESCORT AND CUSTODIAL SUPERVISION SERVICES TO COURTS

This output class involves the provision of safe, secure and humane transportation of inmates to and from court and their safe and humane custody while at court.

Output Class Statement: Escort and Custodial Supervision Services to Courts for the year ended 30 June 2001

Actual 30/6/00 \$000		Actual 30/6/01 \$000	Main Estimates \$000	Supp. Estimates \$000
Revenue				
4,295	Crown	5,989	4,339	5,989
0	Other	0	0	0
4,295	Total revenue	5,989	4,339	5,989
4,180	Total expenses	5,945	4,339	5,989
115	Net surplus/(deficit)	44	0	0

B
Escort and
Custodial
Supervision
Services to
Courts

Escort Services

This output provides for the safe, humane and secure transportation of inmates to and from court.

Escort Services	Budget	Actual	Variance
Quantity			
The number of inmates escorted in:			
• Northland/Auckland (including Police escorts) ³⁹	20,238 - 22,369	24,638	2,269 (10%)
• remainder of New Zealand (excluding Police escorts)	7,071 - 7,811	7,512	Nil
Quality			
The maximum number of escapes by inmates during escort to and from court be no more than			
	2	2	0

Comment

The number of inmates escorted increased due to an increased number of offenders being sentenced by the courts.

In 1996/97 there were eight breakout escapes from Public Prisons Service escorts and in 2000/01 there were none. There were, however, two breakout escapes from a Chubb escort in 2000/01 but both inmates were recaptured immediately. Escort vans have been modified, as a result of the escapes, with additional security measures put in place.

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

³⁹ Services provided by Chubb New Zealand Limited.

Courtroom Custodial Supervision Services

This output provides for the safe, secure and humane custody of inmates while they are at court.

Courtroom Custodial Supervision Services	Budget	Actual	Variance
Quantity			
The number of inmates for whom courtroom custody is provided in:			
• Northland/Auckland ⁴⁰	4,747 - 5,248	6,660	1,412 (27%)
• remainder of New Zealand	8,390 - 9,266	8,256	-134 (-2%)
Quality			
The maximum number of escapes by inmates while they are held in custody at court be no more than			
(Northland/Auckland) ⁴¹	1	1	Nil
The maximum number of escapes by inmates while they are held in custody at court be no more than			
(remainder of New Zealand)	1	0	-1

Comment

There has been an increase in volumes due to the increased number of offenders being sentenced by the courts. One escape occurred from courtroom supervision and the inmate has been recaptured. Operational procedures have been reviewed and updated.

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



⁴⁰ Services provided by Chubb New Zealand Limited.



OUTPUT CLASS 8: POLICY ADVICE AND DEVELOPMENT

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

Output Class Statement: Policy Advice and Development
for the year ended 30 June 2001

Actual 30/6/00 \$000		Actual 30/6/01 \$000	Main Estimates \$000	Supp. Estimates \$000
Revenue				
3,801	Crown	3,697	3,697	3,697
0	Other	0	0	0
3,801	Total revenue	3,697	3,697	3,697
3,686	Total expenses	3,666	3,697	3,697
115	Net surplus/(deficit)	31	0	0

Policy Advice and Development Services

This output involves the provision of advice and development of policies that relate to the reduction of re-offending, the effective and efficient management of corrections services and the review, evaluation and development of service standards.

Policy Advice and Development Services	Budget	Actual	Variance
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Quantity

Advice will be delivered according to a work programme agreed with the Minister of Corrections

100%	78%	-22%
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Quality

The Minister of Corrections will expect advice to be delivered according to the quality standards as outlined below:

100%	100%	Nil
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- the aims of the paper have been clearly stated and they answer the questions that have been set
- the assumptions behind the advice are explicit, and the argument is logical and supported by the facts
- the facts in the paper are accurate and all material facts have been included
- an adequate range of options has been presented and each has been assessed for benefits, costs and consequences to the Government and the community
- there is evidence of adequate consultation with interested parties, and possible objections to proposals have been identified
- the problems of implementation, technical feasibility, timing and consistency with other policies have been considered
- the format meets Cabinet Office requirements, the material is effectively and concisely summarised, has short sentences in plain English and is free of spelling or grammatical errors.

Timeliness

Policy advice purchased will be delivered within the specific reporting deadlines agreed with the

Minister of Corrections	100%	67%	-33%
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Comment

Achievement of the agreed work programme has been affected by the impact of new Government initiatives, such as the Sentencing and Parole Reform Bill and the Taskforce for Reducing Imprisonment. This required reprioritisation of the Department's policy workload. Staff losses in the first half of the year also caused work displacement. The Policy Development Group is almost back to full numbers.



Ministerial Servicing

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

Ministerial Servicing	Budget	Actual	Variance
Quantity			
The number of responses to be prepared to Ministerial correspondence is estimated to be	350 - 400	812	103%
The number of responses to Parliamentary questions is estimated to be	250 - 300	644	115%
Quality			
The percentage of replies returned for redrafting will not exceed	10%	19%	9%
All responses are signed out by either a General Manager or, in his or her absence, an appropriate manager	100%	100%	Nil
Timeliness			
The percentage of responses to Ministerial correspondence completed within the timeframes agreed with the Minister's office will be	90%	83%	-7%
The percentage of responses to Parliamentary questions completed within the timeframes set by the Minister's office will be	100%	97%	-3%

Comment

Although volumes of Ministerials and Parliamentary Questions continue to be well over forecast, in the last quarter of 2000/01 the subjects were across the whole range of Corrections operations rather than focusing on a few areas of activity as in previous quarters. This has led to more pressure on authors to research and write replies to increasingly complicated Ministerials and has resulted in more items missing their deadlines and being returned to the Department for redrafting.

Provision of Psychological and Other Research

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

Provision of Psychological and Other Research	Budget	Actual	Variance
Quantity			
The percentage of research and evaluation delivered to agreed project milestones	95%	83%	-12%

Quality

The percentage of psychological and other research that will be provided to the criteria contained in the

Psychological Service Manual:	95%	95%	Nil
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- the hypothesis/aim of the research is clearly stated; capable of being tested; uses minimal variables; is resourced appropriately
- data collection is to meet appropriate standards of research design, and appropriate analysis tools are to be used
- the results are accurately and clearly described
- there is concise and thorough explanation of the implications of the results for the issues investigated
- the research should be peer reviewed both internally and externally
- the report is written in a format appropriate to the audience
- the aims of the paper are accurate and all material facts have been included
- the material is free of spelling or grammatical errors and an executive summary is provided if the report exceeds five pages
- when possible the material is published within internationally recognised journals.



Comment

The Offender Treatment Readiness project was behind schedule because it ran parallel to IOM implementation, and needed to progress in a manner consistent with the IOM roll-out.

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

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

Output Class Statement: Contract Management Services (Service Purchase and Monitoring)
for the year ended 30 June 2001



Actual 30/6/00 \$000		Actual 30/6/01 \$000	Main Estimates \$000	Supp. Estimates \$000
Revenue				
3,975	Crown	3,629	4,169	3,629
0	Other	0	0	0
3,975	Total revenue	3,629	4,169	3,629
3,682	Total expenses	3,567	4,169	3,629
293	Net surplus/(deficit)	62	0	0

Purchase and Monitoring of Service Delivery

This output involves the development and ongoing management of:

- Internal Purchase Agreements with the three internal providers of Corrections services (Public Prisons Service, Community Probation Service and Psychological Service)
- contracts for services purchased from external providers
- inter-agency agreements.

Service delivery is monitored in terms of quantity and quality, and remedial action is taken if service delivery is unsatisfactory. Also included is the development of Service Level Agreements with other government agencies (for example, the Department for Courts, the Police and the Department of Work and Income).



Purchase and Monitoring of Service Delivery	Budget	Actual	Variance
Quantity			
The number of Internal Purchase Agreements with internal providers	3	3	Nil
The number of contracts to be negotiated with external providers ⁴¹	90 - 110	93	Nil
The number of contracts with habilitation centres and Montgomery House	4	4	Nil

Quality

The percentage of Community Funding contracts with a value of \$20,000 (or over) that have performance measures and standards to the criteria outlined below:

- | | | | |
|--|------|------|-----|
| | 100% | 100% | Nil |
|--|------|------|-----|
- the correct parties to the contract are specifically identified and the parties have legal power to contract and are a legal entity
 - the term of the contract has been identified
 - the price is identified in the schedule of the contract
 - the payment regime is specified
 - the format and dates of reporting requirements are stated
 - the mechanism for resolving disputes is stated
 - the programme is clearly described (including programme aims, content and delivery process)
 - the contract is legal.

⁴¹ The reduction in the number of contracts negotiated by the Community Probation Service for the 2000/01 financial year reflects the exclusion of agreements up to \$5,000. Last year the full target was 174-194 contracts.

The percentage of contracts that meet the following standards:	100%	100%	Nil
<ul style="list-style-type: none">• services are clearly described• performance measures and standards are specified• price and payment regime (including incentives as appropriate) as specified• format and dates of reporting requirements are specified.			

Timeliness

The percentage of Community Funding contracts with a value of \$20,000 (or over) agreed and in place by the agreed date	95%	100%	5%
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Comment

Negotiations of the Community Probation Service contracts with external providers take place in June each year. Programmes delivered by external providers are accounted for under the Other Rehabilitative Programmes output in Output Class 4.



Provision of Inspectorate Services

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

Provision of Inspectorate Services	Budget	Actual	Variance
Quantity			
Number of inspections in the inspectorate work programme for 2000/01 as approved by the Assurance Board will be as follows:			
• routine visits	80 - 120	98	Nil
• special investigations	10 - 30	12	Nil
Quality			
The percentage of inspections that are carried out to the following criteria:			
• to a quality which satisfies the Assurance Board	100%	100%	Nil
• according to the guidelines and standards of the New Zealand Institute of Internal Auditors.			
Timeliness			
All reports on routine inspection visits will be finished within one month of the visit. All special reports will be finished within the time period agreed in the terms of reference for the investigation			
	100%	100%	Nil



Provision of National Systems Services

This output involves:

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

Provision of National Systems Services	Budget	Actual	Variance
Quantity			
The number of national systems transactions completed ⁴²	500	665	165 (33%)
The number of Parole Board meeting days to be supported	35	45	10 (28%)
The number of active victims registrations supported	800	1,116	316 (40%)
The number of offender records transactions completed ⁴³	18,000	23,102	5,102 (28%)
The number of statutory appointments to be maintained	118	119	1 (1%)
The number of delegable authorities maintained	40	45	5 (13%)
Quality			
The percentage of offender records transactions completed according to the criteria contained in statute service level agreements and data matching agreements	98%	100%	2%
The percentage of reports provided to the standards required by the Parole Board	95%	95%	Nil

⁴² Includes temporary releases, escorted outings, segregations, transfers, early releases, victim notification requests and security classification reviews

⁴³ Includes initial security classification forms processed, review of security classification forms processed, criminal history checks processed, visiting Justice misconduct decisions processed, IRD requests processed, Work and Income Support requests processed, new files activated, old files activated and archive transactions processed.

The percentage of victim registrations completed according to established criteria as contained in the legislation's operations standards	98%	100%	2%
The percentage of statutory appointments maintained	85%	101%	16%
The percentage of delegable authorities maintained	95%	113%	18%

Timeliness

All national systems transactions to be completed within seven working days of applications being received	100%	100%	Nil
The percentage of reports provided within deadlines set by the Parole Board	100%	100%	Nil

Comment

The Department will continue to review the assignment of resources needed to support the increasing volumes and caseloads being generated in this output. Improvements to processes being enabled by new technology and the intelligence of internal functions will also attribute to service delivery solutions.



P A R T



FINANCIAL SUMMARY

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STATEMENT OF ACCOUNTING POLICIES

for the year ended 30 June 2001

Reporting Entity

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

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

In addition, the Department has reported on the trust monies which it administers.

Reporting Period

The reporting period covers the 12 months from 1 July 2000 to 30 June 2001. Comparative figures for the financial year ended 30 June 2000 are provided.

Measurement System

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

Accounting Policies

Principles of Consolidation

Interdivisional transactions and internal charges have been eliminated on consolidation.

Revenue

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

Budget Figures

The Budget figures are those presented in the Departmental Forecast Report (Main Estimates) and those amended by



the Supplementary Estimates and any transfer made by Order in Council under section 5 of the Public Finance Act 1989 (Supplementary Estimates).

Cost Allocation to Outputs

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

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

Receivables

Receivables are valued at net realisable value, after making allowance for amounts considered to be doubtful.

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. Payments under these leases are charged as expenses in the periods in which they are incurred.

Fixed Assets

The initial cost of a fixed asset is the value of the consideration given to acquire or create the asset and any directly attributable costs of bringing the asset to working condition for its intended use.

Land and buildings are revalued every three years:

- prison buildings on the basis of a specific-use alternative market value
- periodic detention centres on the basis of an optimised depreciated replacement cost.



Valuations are conducted by independent valuers and are in accordance with the New Zealand Institute of Valuers' standards.

Land and buildings were revalued as at 30 June 1999.

All other fixed assets costing more than \$3,000 are capitalised and recorded at historical cost.

Forests

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

Depreciation

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

Buildings	50 years
Building fit-outs	Various
Hut complexes	25 years
Hut fit-outs	Various
Plant and machinery	10 years
Leasehold improvements	10 years
Motor vehicles - heavy duty	8 years
Motor vehicles - other	5 years

Furniture and fittings - office	5 years
Office equipment	5 years
Tools and equipment	5 years
Information technology - network	5 years
Information technology - specialised	Various
Information technology - PC based	3 years
Furniture and fittings - inmate	3 years

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

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

Inventory

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

Employee Entitlements

Provision is made in respect of the Department's liability for annual, long service and retirement leave. Annual leave owed has been calculated on an actual entitlement basis at current rates of payment while the other provisions 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 the cash payments made for the supply of goods and services.

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

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

Livestock

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

Investments

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

Financial Instruments

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

Goods and Services Tax (GST)

The Statement of Financial Performance, Statement of Movement in Taxpayers' Funds, Statement of Cash Flows, Statement of Commitments and Statement of Contingent Liabilities are exclusive of GST. The Statement of Financial Position is also exclusive of GST, except for Creditors and Payables and Debtors and Receivables which are GST inclusive. All other statements are GST inclusive. The amount of GST owing to the Inland Revenue Department at balance date, being the difference between Output GST and Input GST, is included in Creditors and Payables.

Taxation

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

Foreign Currency

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

Commitments

These are future payments and expenditures to be incurred on capital and operating contracts that have been entered into at balance date and are valued at known cost. Commitments relating to employment contracts are not disclosed.



Contingent Liabilities

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

Taxpayers' Funds

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

Changes in Accounting Policies

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

All policies have been applied on a basis consistent with other years.



**Statement of Financial Performance
for the year ended 30 June 2001.**

30/06/00 Actual			30/06/01 Actual	30/06/01 Main Estimates	30/06/01 Supp. Estimates
\$000	Notes		\$000	\$000	\$000
Revenue					
362,020	Crown	1	403,696	393,673	403,696
20,127	Other	2	23,388	19,298	23,498
382,147	Total revenue		427,084	412,971	427,194
Expenditure					
191,360	Personnel costs	4	203,898	189,781	198,825
110,280	Operating costs	5	130,918	133,090	137,860
32,806	Depreciation		40,525	39,100	41,871
45,363	Capital charge	6	48,638	51,000	48,638
379,809	Total expenses		423,979	412,971	427,194
2,338	Net surplus/(deficit)		3,105	-	-

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



**Statement of Movement in Taxpayers' Funds
for the year ended 30 June 2001.**

30/06/00 Actual		30/06/01 Actual	30/06/01 Main Estimates	30/06/01 Supp. Estimates
\$000	Notes	\$000	\$000	\$000
Taxpayers' funds				
453,628	as at 1 July	486,527	484,962	486,527
	Net operating			
2,338	surplus/(deficit)	3,105	-	-
	Increase/(decrease)			
	in revaluation			
1,565	reserves 7	632	-	(1,300)
Total recognised				
revenues and				
3,903	expenses for the year	3,737	-	(1,300)
31,334	Capital contribution	54,700	50,070	54,700
	Provision for			
	repayment of surplus			
(2,338)	to the Crown 13	(3,105)	-	-
Taxpayers' funds as				
486,527	at 30 June	541,859	535,032	539,927

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



Statement
of
Movement in
Taxpayers'
Funds

**Statement of Financial Position
as at 30 June 2001.**

30/06/00 Actual			30/06/01 Actual	30/06/01 Main Estimates	30/06/01 Supp. Estimates
\$000	Notes		\$000	\$000	\$000
Taxpayers' funds					
482,693	General funds	7	537,393	532,763	537,393
	Revaluation				
3,834	reserves	7	4,466	2,269	2,534
486,527	Total taxpayers' funds		541,859	535,032	539,927
Represented by:					
Current assets					
8,522	Cash	8	55,040	3,770	35,351
452	Prepayments		655	600	600
4,166	Receivables	9	3,978	3,125	4,150
2,031	Inventories		3,028	1,900	2,400
15,171	Total current assets		62,701	9,395	42,501
Non-current assets					
5,758	Livestock		7,717	5,892	5,758
	- Long-term receivables		-	160	160
1,693	Investments	10	1,844	190	1,600
519,003	Fixed assets	11	538,005	585,392	542,408
526,454	Total non-current assets		547,566	591,634	549,926
541,625	Total assets		610,267	601,029	592,427
Current liabilities					
	Creditors and				
26,658	payables	12	34,050	40,200	26,500
	Provision for repayment of surplus to				
2,338	the Crown	13	3,105	-	-
	Provision for employee				
18,126	entitlements	14	22,289	18,000	18,000
47,122	Total current liabilities		59,444	58,200	44,500
Non-current liabilities					
	Provision for employee				
7,976	entitlements	14	8,964	7,797	8,000
7,976	Total non-current liabilities		8,964	7,797	8,000
55,098	Total liabilities		68,408	65,997	52,500
486,527	Net assets		541,859	535,032	539,927

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

For information on major variances against budget refer to Note 18.



**Statement of Cash Flows
for the year ended 30 June 2001.**

30/06/00 Actual	30/06/01 Actual	30/06/01 Main Estimates	30/06/01 Supp. Estimates
\$000	\$000	\$000	\$000
Cash flows - operating activities			
Cash provided from:			
Supply of outputs to			
362,020 - Crown	403,696	393,673	403,696
18,486 - Other	23,341	19,298	23,498
380,506	427,037	412,971	427,194
Cash disbursed to:			
Produce outputs			
191,360 - Personnel	199,747	189,781	198,825
114,109 - Operating	124,972	132,060	138,646
126 - Net GST paid	(1,255)	(658)	42
45,363 - Capital charge	48,638	51,000	48,638
350,958	372,102	372,183	386,151
29,548 Operating activities	54,935	40,788	41,043
net cash flows			
Cash flows - investing activities			
Cash provided from:			
2,803 Sale of fixed assets	3,978	2,400	1,570
Cash disbursed for:			
- Purchase of livestock	489	-	-
95,583 Purchase of fixed assets	64,268	98,770	68,146
Investing activities			
(92,780) net cash flows	(60,779)	(96,370)	(66,576)
Cash flows - financing activity			
Cash provided from:			
31,334 Capital contributions	54,700	50,070	54,700
Cash disbursed for:			
686 Repayment of surplus	2,338	-	2,338
Financing activities			
30,648 net cash flows	52,362	50,070	52,362
Net increase/(decrease)			
(32,584) in cash held	46,518	(5,512)	26,829
Add opening cash			
41,106 and deposits	8,522	9,282	8,522
Closing cash			
8,522 and deposits	55,040	3,770	35,351

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

**Reconciliation of Net Surplus to Net Cash
Flow from Operating Activities
for the year ended 30 June 2001.**

30/06/00 Actual	30/06/01 Actual	30/06/01 Main Estimates	30/06/01 Supp. Estimates
\$000	\$000	\$000	\$000
2,338 Net surplus/(deficit)	3,105	-	-
Add/(less) non-cash items			
32,806 Depreciation	40,525	39,100	41,871
179 Inc/(dec) in non-current employee entitlements	988	-	24
114 Inc/(dec) other non-cash items	(303)	-	-
33,099 Total non-cash items	41,210	39,100	41,895
Working capital movements			
(1,849) (Inc)/dec in receivables	188	-	16
(96) (Inc)/dec in inventories	(997)	-	(369)
(53) (Inc)/dec in prepayments	(203)	-	(148)
(4,030) Inc/(dec) in creditors and payables	7,392	1,688	(158)
488 Inc/(dec) in employee entitlements	4,163	-	(126)
- Other items	-	-	(67)
Working capital (5,540) movements - net	10,543	1,688	(852)
Add/(less) investing			
(1,390) activity items	-	-	-
Net loss/(gain) on sale			
1,041 of fixed assets	77	-	-
Total investing (349) activity items	77	-	-
Net cash flow from 29,548 operating activities	54,935	40,788	41,043

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



Reconciliation
of Net
Surplus to
Net Cash
Flow from
Operating
Activities

Statement of Commitments as at 30 June 2001.

The Department has long-term leases on premises at many locations throughout New Zealand. The amounts disclosed below as future commitments are based on current rental rates.

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

Actual 30/06/00 \$000		Actual 30/06/01 \$000
32,123	Less than one year	32,923
26,248	One to two years	22,974
69,917	Two to five years	40,363
4,148	More than five years	5,985
132,436	Total operating commitments	102,245
10,543	Capital commitments	46,600
142,979	Total commitments	148,845

The Department has entered into non-cancellable contracts for computer maintenance and other contracts for goods and services. These non-cancellable contracts totalled \$22.875 million as at 30 June 2001 (1999/2000: \$14.028 million).

The decrease in operating commitments is largely due to a change in the contract entered into with Australasian Correctional Management, who have the management contract of Auckland Central Remand Prison.

The increase in capital commitments is largely due to a commitment entered into for the development of Rimutaka Prison and the construction of two new facilities in Auckland.

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



Statement
of
Commitments

Statement of Contingent Liabilities as at 30 June 2001.

Quantifiable contingent liabilities amount to \$5.377 million. As at 30 June 2000 the comparable amount was \$4.823 million. These liabilities relate to personal grievances or compensation claims by staff and to other legal action lodged against the Department.

Statement of Unappropriated Expenditure for the year ended 30 June 2001.

The Department had no unappropriated expenditure for the financial year ended 30 June 2001 (1999/2000: nil).

Statement of Departmental Expenditure and Appropriations for the year ended 30 June 2001.

(Figures are GST inclusive where applicable)

	30/06/2001 Expenditure Actual \$000	30/06/2001 Appropriation Voted* \$000
Vote: Corrections		
Appropriations for classes of outputs		
D1: Information Services	27,258	27,336
D2: Community-based Sentences and Orders	56,331	56,430
D3: Custodial Sentences	253,725	256,054
D4: Rehabilitative Programmes and Reintegrative Services	39,499	39,983
D5: Inmate Employment	37,700	37,778
D6: Custody of Remand Inmates	48,010	48,033
D7: Escort and Custodial Services to Courts	6,694	6,738
D8: Policy Advice and Development	4,128	4,159
D9: Contract Management Services	4,021	4,083
Sub-total	477,366	480,594
Appropriation for capital contributions	54,700	54,700
Sub-total	54,700	54,700
Total	532,066	535,294

*This includes adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

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



**Statement of Trust Monies
for the year ended 30 June 2001.**

Account	As at 1/07/00 \$000	Contribution \$000	Distribution \$000	Revenue \$000	Expenses \$000	As at 30/06/01 \$000
Prison Trust Accounts	324	6,429	6,396	-	-	357
	324	6,429	6,396	-	-	357

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

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



**Statement of
Trust Monies**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2001

Note 1: Revenue - Crown

This is revenue earned for the supply of outputs to the Crown.

Note 2: Other Revenue

30/06/00 Actual		30/06/01 Actual	30/06/01 Main Estimates	30/06/01 Supp. Estimates
\$000		\$000	\$000	\$000
15,598	Timber and livestock	18,085	15,789	18,289
771	Rents	731	1,009	1,009
3,337	Prison industry sales	4,440	2,500	4,200
421	Other	132	-	-
20,127	Total other revenue	23,388	19,298	23,498

Note 3: Net Gain/(Loss) on Sale of Fixed Assets

30/06/00 Actual		30/06/01 Actual	30/06/01 Main Estimates	30/06/01 Supp. Estimates
\$000		\$000	\$000	\$000
(1,033)	Land and buildings	1,305	-	-
(252)	Plant and equipment	(1,304)	-	-
-	- Furniture and fittings	-	-	-
-	- Leasehold improvements	-	-	-
(38)	Motor vehicles	(31)	-	-
282	Other	(47)	-	-
Net gain/(loss) on				
(1,041)	sale of fixed assets	(77)	-	-

Note 4: Personnel Costs

30/06/00 Actual		30/06/01 Actual	30/06/01 Main Estimates	30/06/01 Supp. Estimates
\$000		\$000	\$000	\$000
190,601	Salaries and wages	202,012	189,781	198,825
759	Retirement and long service leave	1,886	-	-
191,360	Total personnel costs	203,898	189,781	198,825



Note 5: Operating Costs

30/06/00 Actual		30/06/01 Actual	30/06/01 Main Estimates	30/06/01 Supp. Estimates
\$000		\$000	\$000	\$000
6,175	Operating lease rentals	6,595	6,365	6,452
210	Audit fees to auditors for audit of the financial statements	210	210	210
61	Fees to auditors for other services provided	16	31	11
17,992	Facilities maintenance	20,098	19,467	18,204
26,498	Offender management costs	29,669	30,046	31,313
11,567	Computer Costs	12,458	11,246	10,941
3,359	Contract Management	16,986	17,413	17,413
23,897	Administration	24,213	30,544	36,038
19,480	Other operating costs	20,596	17,768	17,278
1,041	Loss on sale of fixed assets (Note 3)	77	-	-
110,280	Total operating costs	130,918	133,090	137,860

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

Note 6: Capital Charge

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

The capital charge rate for the year ended 30 June 2001 was 10% per annum (1999/2000: 10%).

Note 7: Taxpayers' Funds

Taxpayers' Funds comprises two components:

General Funds

30/06/00	30/06/01	30/06/01	30/06/01
Actual	Actual	Main Estimates	Supp. Estimates
\$000	\$000	\$000	\$000
Taxpayers' funds			
451,359 as at 1 July	482,693	482,693	482,693
2,338 Net surplus/(deficit)	3,105	-	-
31,334 Capital contribution	54,700	50,070	54,700
33,672	57,805	50,070	54,700
Provision for repayment			
(2,338) of surplus to the Crown	(3,105)	-	-
General funds			
482,693 as at 30 June	537,393	532,763	537,393

Revaluation Reserve

30/6/2000		30/06/2001	30/06/2001	30/06/2001	30/06/2001	30/06/2001	30/06/2001
Total		Livestock	Forests	Shares	Total	Main	Supp.
Actual					Actual	Estimates	Estimates
\$000	\$000	\$000	\$000	\$000	\$000	\$000	
2,269	Balance brought forward	979	2,121	734	3,834	2,269	3,834
-	Gains on revaluation realised	-	-	-	-	-	-
	(transferred to general funds)						
1,565	Revaluation changes at 30 June	1,469	(534)	(303)	632	-	(1,300)
3,834	Balance at 30 June	2,448	1,587	431	4,466	2,269	2,534

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

Note 8: Cash

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

Note 9: Receivables

Actual		Actual
30/06/00		30/06/01
\$000		\$000
3,800	Trade debtors	4,008
366	Other	205
-	Provision for doubtful debts	(235)
4,166	Total receivables	3,978

Note 10: Investments

The increase in investments is primarily due to the issue by the New Zealand Dairy Group of shares to Corrland Inmate Employment in lieu of dividends. In order to continue business with the New Zealand Dairy Group, Corrland Inmate Employment must hold shares given to it by the Group.

Note 11: Fixed Assets

Actual 30/06/00 \$000		Actual 30/06/01 \$000
Freehold Land		
54,972	At valuation	61,569
54,972	Land - net book value	61,569
Buildings		
112,877	At cost	271,042
273,111	At valuation	150,003
19,016	Accumulated depreciation	43,683
366,972	Buildings - net bank value	377,362
Leasehold Improvements		
6,449	At cost	6,971
3,973	Accumulated depreciation	4,933
2,476	Leasehold improvements - net book value	2,038
Forests		
37,428	At valuation	36,979
37,428	Forests - net book value	36,979
Plant and Equipment		
25,687	At cost	25,346
14,990	Accumulated depreciation	15,048
10,697	Plant and equipment - net book value	10,298
Furniture and Fittings		
4,927	At cost	5,313
3,712	Accumulated depreciation	3,789
1,215	Furniture and fittings - net book value	1,524
Computer Equipment		
50,073	At cost	61,282
18,356	Accumulated depreciation	27,582
31,717	Computer equipment - net book value	33,700



Notes to the
Financial
Statements

Note 11: Fixed Assets (continued)

Actual 30/06/00 \$000		Actual 30/06/01 \$000
Motor Vehicles		
23,841	At cost	26,565
10,315	Accumulated depreciation	12,030
13,526	Motor vehicles - net book value	14,535
Total fixed assets		
589,365	At cost and valuation	645,070
70,362	Accumulated depreciation	107,065
519,003	Total carrying amount of fixed assets	538,005

Included within Buildings is an amount of \$7.9 million (1999/2000: \$49.2 million) and within Computer Equipment \$11.9 million (1999/2000:\$3.8 million), representing assets under the course of construction or development.

Land and Buildings are valued every three years. The annual valuation of forests was undertaken by departmental staff and was reviewed by an independent registered valuer, P F Olsen & Company Limited, on 30 June 2001.

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

Note 12: Creditors and Payables

Actual 30/06/00 \$000		Actual 30/06/01 \$000
7,432	Trade creditors	9,723
17,684	Accrued expenses	21,530
1,542	GST payable	2,797
26,658	Total creditors and payables	34,050



Note 13: Provision for Repayment of Surplus to the Crown

Actual 30/06/00 \$000	Actual 30/06/01 \$000
2,338	3,105
Net surplus from delivery of outputs	
Total provision for repayment	
2,338 of surplus to the Crown	3,105

Note 14: Provision for Employee Entitlements

Actual 30/06/00 \$000	Actual 30/06/01 \$000
Non-current liabilities	
7,976	8,964
Non-vested retirement and long service leave	
7,976 Total non-current portion	8,964
Current liabilities	
5,711	6,609
Vested retirement and long service leave	
12,415	15,680
Annual leave	
18,126 Total current portion	22,289
26,102 Total provision for employee entitlements	31,253

Note 15: Financial Instruments

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

Credit Risk is the risk that a third party will default on its obligations to the Department, causing the Department to incur a loss. In the normal course of business, the Department incurs credit risk from trade debtors, and transactions with financial institutions and the New Zealand Debt Management Office (NZDMO).

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



Notes to the
Financial
Statements

Fair Value of all financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

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

Interest Rate Risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could impact on the return on investments or the cost of borrowing. The Department has no significant exposure to interest rate risk on its financial instruments.

Under section 46 of the Public Finance Act the Department cannot raise a loan without Ministerial approval and no such loans have been raised. Accordingly, there is no interest rate exposure for funds borrowed.

Note 16: Contingencies

The Department does not have any contingent assets as at 30 June 2001 (30 June 2000: nil).

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

Note 17: Related Party Information

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

The Department enters into numerous transactions with other government departments, Crown agencies and state-owned enterprises on an "arm's length" basis. These transactions are not considered to be related party transactions.

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



Note 18: Major Budget Variations**Statement of Financial Performance**

The increase in personnel costs and the consequential increase in revenue, result from collective employment settlements, additional leave provisions, costs associated with new corrections facilities and the costs involved in managing the prison population.

Statement of Financial Position (and Cash Flows)

The increase in revaluation reserves is mainly due to an increase in the value of livestock.

Total current assets were greater than projected, and cash spent on the purchase of fixed assets was less than projected, primarily because of the deferment of capital projects.

Creditors and payables were less than projected in the Main Estimate process primarily due to timing issues arising from when payments were made around year end.

The provision for employee entitlements was greater than projected in the Main Estimates process due to prior service being recognised in retiring and long service leave calculations and the inclusion of additional annual leave recognised in retiring and long service leave calculations and the inclusion of additional annual leave in relation to shift leave.

Note 19: Post Balance Date Events

There are no post balance date events.



Audit New Zealand

REPORT OF THE AUDIT OFFICE

To the readers of the financial statements of the Department of Corrections for the year ended 30 June 2001.

We have audited the financial statements on pages 37 to 126. The financial statements provide information about the past financial and service performance of the Department of Corrections and its financial position as at 30 June 2001. This information is stated in accordance with the accounting policies set out on pages 104 to 110.

Responsibilities of the Chief Executive

The Public Finance Act 1989 requires the Chief Executive to prepare financial statements in accordance with generally accepted accounting practice which fairly reflect the financial position of the Department of Corrections as at 30 June 2001, the results of its operations and cash flows and the service performance achievements for the year ended 30 June 2001.

Auditor's Responsibilities

Section 38(1) of the Public Finance Act 1989 requires the Audit Office to audit the financial statements presented by the Chief Executive. It is the responsibility of the Audit Office to express an independent opinion on the financial statements and report its opinion to you.

The Controller and Auditor-General has appointed H C Lim of Audit New Zealand, to undertake the audit.



Basis of Opinion

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

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

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

We have performed assurance-related assignments for the Department of Corrections in the areas of taxation compliance, probity assurance for a tendered contract and staff secondment to the Internal Audit Group of the Department.

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

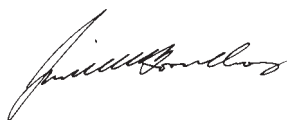
Unqualified Opinion

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

In our opinion the financial statements of the Department of Corrections on pages 37 to 126:

- comply with generally accepted accounting practice
- fairly reflect:
 - the financial position as at 30 June 2001;
 - the results of its operations and cash flows for the year ended on that date; and
 - the service performance achievements in relation to the performance targets and other measures set out in the forecast financial statements for the year ended on that date.

Our audit was completed on 26 September 2001 and our unqualified opinion is expressed as at that date.



H C Lim

Audit New Zealand

On behalf of the Controller and Auditor-General
Wellington, New Zealand



PART



MANAGEMENT INTEREST

Integrated and Effective Offender Management
Human Resource Management
Public Service Ethics and Integrity
Information Technology
Capital Projects
Statutory and Management Board Reports
Private Providers and Outsourcing



INTEGRATED AND EFFECTIVE OFFENDER MANAGEMENT

IOM implementation began on 1 July 2000 following the work of a centralised project team that had been responsible for the design of the new model.

Turning the theory of the IOM model into standard operating practice in all prisons and Community Probation Service offices involves:

- developing new business processes for the movement of offenders through the corrections system
- associated operating procedures and manuals for staff
- developing a comprehensive set of “business rules” that drive the decision-making of individual personnel around the management of offenders
- training programmes for personnel operating different elements of the model
- coaching and additional professional supervision for personnel undertaking detailed assessment of offenders or management of intervention programmes
- comprehensive case management and information processes to ensure the most effective interaction with offenders at every opportunity
- detailed planning and support for individual sites during the transition period.

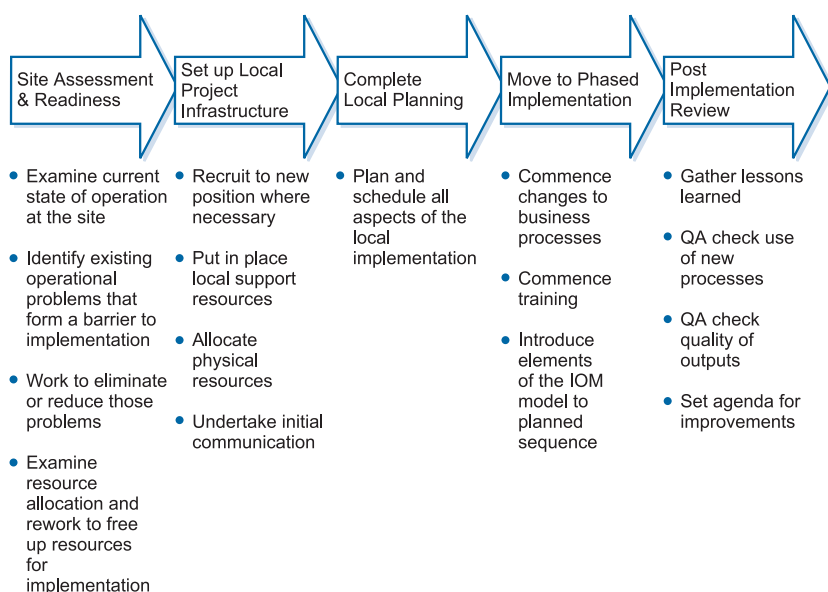
The Department has adopted a strong project management approach to achieving implementation within the two-year timeframe. This is depicted in figure 18.

To ensure the implementation is manageable alongside the delivery of core services throughout the two years, the application of this approach to different geographical areas is also phased. Different areas of the country and of the Services will be at different stages in this process at any one time.

There are supporting change management strategies around each element of implementation. Each new

operational aspect of the IOM model has first been pilot tested, and the results used in refinement of the model as well as improvement in the process of implementation itself. In 2000/01, all of these tools and systems were developed and refined for application to the bulk of the implementation, which will occur in 2001/02.

Figure 19: Approach to IOM Implementation



The implementation of IOM has been a major focus for the Department in 2000/01, and it will continue to be so during 2001/02. The Department is currently on track to achieve its objective of having the model in place by the end of June 2002. There will be elements of the implementation that will be ongoing after that time.

HUMAN RESOURCE MANAGEMENT

The 2000/01 year marked the first year of the Department's new Human Resources Strategy. The Strategy focuses on the areas of career and succession planning and training and development.

Recruitment

Recruitment of additional positions such as Criminogenic Needs Inventory (CNI) trainers, CNI Supervisors, criminogenic programme facilitators, sentence planners, regional subject matter experts, schedulers and inmate movement coordinators has commenced and will continue as IOM is rolled out.

Initial planning for the recruitment and training of staff for the Northland Region Corrections Facility has been undertaken, including research into both the availability and capability of potential applicants from the wider Northland community to fill Corrections Officer positions.

Management Development

The second intake of the Future Leaders programme was selected. Over 100 applications were received with 11 being selected to go on the programme. Participants attended an initial planning session, as did their sponsors and managers. The first year of development for the first intake was completed and included workshops on Development, Enabling Skills, Managing Performance and Tikanga.

Training and Development

Training programmes were designed and finalised to support the implementation of Integrated Offender Management (IOM). This includes training on active management, sentence planning, sentence management, pre-release reporting, facilitation of criminogenic programmes and training for managers.

The Public Prisons Service has continued to implement an IOM qualification with significant training provided to support staff to complete this qualification. Over 50 percent of corrections officers have now completed level 3 of this qualification.

The Community Probation Service redeveloped the Probation Officers' competency system to support the implementation of IOM. The new system is based on IOM processes and integrates with the Service's risk assessment and management process. Implementation of the redeveloped system will occur in early 2001/02.

Training in managing aggressive clients was provided in the Central and Southern Regions. This training is specifically targeted at Work Party Supervisors who supervise Periodic Detention work parties.

The Community Probation Service has trained all managers in the new employment legislation. All managers also received training in managing misconduct and poor performance in this context.

A new management training programme that builds on Leadership in Action was developed and piloted in the Department. The programme comprises three training modules, each lasting two days. The target audience for these modules will be front-line managers.

Cultural Responsiveness

A Responsiveness Strategy for Māori was developed and integrated into the Department's Treaty of Waitangi Policy Statement. The Strategy identified a series of initiatives for the period 2001-2004.

Stage one of the Department's Māori Language Plan was implemented with progress made on staff receiving te reo training. Training in tikanga Māori was also provided to staff working in Māori Focus Units.



Regular regional forums for staff network groups, a national Māori staff hui and a national Pacific peoples staff fono were held.

Cultural training in the Community Probation Service has been reviewed to ensure a consistent national approach. A revised version of Te Wero is to be released and implemented in 2001/02.

PUBLIC SERVICE ETHICS AND INTEGRITY

The Government issued, on 14 March 2001, a *Statement of Government Expectations of and Commitment to the State Sector*. This Statement sets out values and standards of behaviour for the state sector.

The Department of Corrections has responded, and will respond, to new Government expectations by:

- communication of *Government Expectations* to staff (which has occurred)
- maintenance of the Department's Performance Management Systems
- ensuring that a structured approach to, and appropriate resources for, staff training and development occurs
- maintenance of quarterly Ministerial satisfaction surveys and regular dialogue with the Minister of Corrections
- alignment with the State Services Commission work in this area, updating the Department's existing policies and Code of Conduct to ensure compliance.

The Public Prisons Service also embarked upon a three-year Professional Ethics Project which aims to create a culture that defines, teaches, recognises and supports professional and ethical standards of behaviour among its workforce. This will enable the Public Prisons Service to attract, retain and reward staff who display the attributes required by IOM. Phase one of the project has so far involved establishing the project terms of reference, and the collection of information has begun. Analysis of this information and subsequent recommendations will inform

the development of phase two - developing and implementing the strategy to bring about the desired cultural change.

In addition, the Protected Disclosures Act 2000 came into effect from 1 January 2001. A new set of procedures on protected disclosures were introduced within the Department.

INFORMATION TECHNOLOGY

The Information Technology activities of the Department focused on the IT Strategic Plan projects and other major initiatives during the year.

Facilities Management

IT successfully completed the transition of outsourcing its facilities management from EDS to the new arrangements with Gen-i Limited, Sytec Resources Limited and Online Communications Limited.

Technology Platform

A thin client pilot (an architectural change from a distributed to a centralised server) was successful. In April a project was initiated to implement thin client across the entire Department by mid-September 2001. All indications are that the Department will gain significant benefit from implementing the change.



Releases of the Integrated Offender Management System (IOMS)

Releases of IOMS functionality were completed on schedule. These largely related to Assessment Functionality to support IOM. Work has also commenced on the changes needed to IOMS for the sentence and parole reform legislation that is expected to be enacted in March 2002. The changes to IOMS for this piece of legislation are significant.

Justice Sector Interfacing

The Department has taken a visible role with justice sector initiatives relating to data exchange, resulting in agreement on a secure network service across the sector.

CAPITAL PROJECTS

The Auckland Central Remand Prison was opened in July 2000 and since November 2000 has been available to operate at its full contracted capacity. Ongoing maintenance responsibilities for the facility were handed over to its private sector operators (Australian Correctional Management Limited) as scheduled in May 2001.

A site for a Northland Region Corrections Facility was selected and purchased in May 2001. The Resource Consents for the facility were declined on cultural grounds by the Northland Regional Council on 15 March 2001. No technical issues were raised. The Department has appealed this decision to the Environment Court and a priority sitting has been gained to hear both appeals in September 2001. A decision in mid- to late-December, if favourable, will allow earthworks and construction to commence early in 2002, with progressive occupation planned for November 2003.

A site was selected for the South Auckland Men's Corrections Facility and announced by the Minister of Corrections in May 2001. Designation for this site will now be sought and preparations for this and the Resource Consent processes have commenced.

Regional youth facilities have been designed, constructed and opened as scheduled at Hawkes Bay, Waikeria, Rimutaka and Christchurch during the year. These are a substantial addition to the facilities and have come into operation very quickly, helped by a careful staff training process and introduction of new inmate programmes.



It is planned to incorporate similar specialist facilities in the new corrections facilities at Northland and South Auckland.

A site for the Auckland Women's Corrections Facility was selected, and announced by the Minister of Corrections in April 2001. The site was purchased in May 2001. Documentation for the Resource Management Act designation of the site as appropriate for the construction of a corrections facility is well underway. This application will be filed concurrently with the other Resource Consent applications in November 2001.



STATUTORY AND MANAGEMENT BOARD REPORTS

Assurance Board

The role of the Assurance Board is to provide assurance to the Chief Executive that the Department's Risk Management Framework is operating effectively and efficiently. The Board ensures that:

- internal control and quality assurance environments are robust and enhanced where necessary
- operational, legal, financial, information technology, human resource management and security systems risks are identified and managed
- management of the offender environment is maintained, with issues appropriately addressed when they arise.

Risk management, an integral component of departmental operations, operates across the Department. Each Group and Service has developed a risk identification and management process that meets their needs while meeting the parameters of the Department's Risk Management Framework.

The Board relies on its review of the results from the Risk Management Framework and the work performed by the Internal Audit and Inspectorate Group in response to those results. It also places reliance on departmental reports. The Board acknowledges there has been a positive operational response to matters requiring attention from these reports.

The Board also provides professional oversight of the operation of the Department's Internal Audit and Inspectorate functions.

The Assurance Board is chaired by the Chief Executive and includes four external members: Gerry Conroy, June McCabe, Brian Roche and David Henry. Board meetings are bi-monthly.

Chief Executive's Māori Advisory Group

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

Consultation has included:

- the Department's Treaty of Waitangi strategy
- integrated offender management, particularly tikanga Māori initiatives
- the Corrections Law Review.

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

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

Inmate Employment Advisory Board

The Inmate Employment Advisory Board (IEAC) exists to advise the Chief Executive on the ongoing development and achievement of the strategic direction of the Department's inmate employment activities.

A full review of all inmate employment activity was completed at the end of March 2000. This review recommended a shift in the focus of inmate employment to align with the Department's key objective of increasing the chances that an inmate will obtain legitimate post-release employment through the maintenance or promotion of work habits and skills and thus contribute positively to reducing re-offending. Recommendations arising from this review



have now been implemented, with final policy details due for completion by the end of September 2001.

A significant milestone occurred on 1 July 2001 when Corrland and Inmate Employment merged to form one entity, Corrland Inmate Employment (CIE). CIE is now part of the Finance group and the new structure and subsequent appointments have increased the strategic and operational capability of CIE, both regionally and at a national level.

Integrated Offender Management (IOM) presents significant opportunities for CIE to contribute to the Department's vision of reducing re-offending. CIE integration with the Department's IOM framework began during the year, with staff working alongside the IOM developers on the IOM reintegrative services module. Individual inmate employment training needs are being identified and inmates are being placed in appropriate employment opportunities. As IOM is rolled out throughout New Zealand, CIE site coordinators will work alongside Public Prisons Service staff to ensure an integrated approach to offender management operations.

Operationally it has been a year of steady improvements for both Inmate Employment and Corrland. Targets were met and progress on training and development of instructors continued throughout the year. Targets for inmate employment hours were met and several new employment opportunities were established.

The Inmate Employment Advisory Committee is chaired by David Wolfenden and includes five external members: Andy Train, Dave Elliott, Ken Douglas, Michael Gilchrist and John Hamilton. The Board also includes three Departmental employees: Chief Financial Officer, General Manager Public Prisons Service and Manager Corrland Inmate Employment.

Psychological Service Advisory Board

The role of the Advisory Board is to provide advice and assistance to the General Manager Psychological Service on operational and management issues associated with the Service's short, medium and long-term priorities. The Board also provides advice to the Chief Executive on the management performance of the General Manager and staff in meeting their performance objectives. The Advisory Board is chaired by Sandi Beatie and the other external member is Steve Ruru.

The Psychological Service has played a key role in developing the assessment tools associated with the introduction of the department-wide Integrated Offender Management model (IOM). Roll-out of IOM in Wellington, Christchurch and Hamilton has involved the Service in training and supervision of Public Prisons and Community Probation Services staff in the application of the assessment tools. The Service also undertakes the role of IOM champion for the Department, which includes monitoring the ongoing integrity of the programme.

The Bicultural Therapy Model (BTM), developed by the Service to offer Māori offenders the choice of working with departmental psychologists and/or with an external Māori providers, has been in operation for 18 months. The Service is now looking at alignment of the model with IOM.

National Parole Board

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

Details of the operation of the Parole Board are contained in its Annual Report for the year ended December 2000. The Annual Report can be obtained from the Secretary, Parole Board, Private Box 1206, Wellington.



PRIVATE PROVIDERS AND OUTSOURCING

Escort and Courtroom Custodial Services

Chubb New Zealand Limited continued to provide prisoner escort and courtroom custodial services in Northland and Auckland under a contract with the Department, which commenced on 1 October 1998. The Auckland Central Remand Prison and new Manukau Court were added to the existing 10 court and two prison locations where services are delivered. During the year, Chubb carried out 24,638 prisoner escort and 6,660 court custody tasks.

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

Auckland Central Remand Prison (ACRP)

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

Auckland Central Remand Prison houses 272 inmates, with capacity for up to 360 if necessary. Within these figures are 32 sentenced inmates, who provide an internal-servicing role in the kitchen, laundry and other areas of the prison. ACRP also provides a range of educational and rehabilitative programmes for its sentenced and remand inmates including: alcohol and drug; violence prevention; modules in the National Certificate in Employment Skills; tikanga Māori; and programmes specifically addressing offending by Pacific peoples (through Tagata Pacifica).



In terms of sections 36ZD(2) and 36ZF of the Penal Institutions Act 1954, the Department has appointed a Security Monitor at the prison. The monitor's role is to provide assurance to the Chief Executive of the Department of Corrections that ACM is complying with the terms and conditions of its contract.

There has been one breakout escape from the prison, in November 2000. Otherwise the terms and conditions of the contract are being met in a satisfactory manner.

Home Detention Services

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

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

Initially home detention was available in 16 main urban centres but was expanded from July 2000 to include most urban centres throughout the country and some rural areas. During the year 772 offenders commenced a home detention order.



External Providers of Programmes for Offenders

The Community Probation Service contracted with a number of providers for the provision of both residential programmes and non-residential programmes during the 2000/01 year.

There are a number of residential centres around the country that provide programmes for offenders. They focus

on identifying and addressing the causes of offending to help inmates released on parole and offenders on community-based sentences to reintegrate into society and avoid re-offending.

In particular the Department contracted with Habilitation Centres for the provision of residential rehabilitation programmes:

- Te Ihi Tu Trust in New Plymouth who deliver a kaupapa Māori programme addressing issues relating to the offending on an individual case management basis
- Salisbury Street Foundation in Christchurch which focuses on men who have a long history of offending and imprisonment.

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

PART



ADDITIONAL INFORMATION

Background to Corrections
Human Resource Information
Legal Responsibilities
Public Reports
Terms and Definitions
Corrections Facilities' Locations



BACKGROUND TO CORRECTIONS

The Department of Corrections manages custodial and non-custodial sentences imposed by the courts. This includes prison sentences, periodic detention, home detention, community service and supervision. Corrections also provides information to the judiciary and administers the Parole Board and District Prisons Boards.

Structure

There are: 17 Public Prisons Service institutions; the Auckland Central Remand Prison which is managed by Australasian Correctional Management; 15 Community Probation Service area offices and 143 service sites¹; eight Psychological Service offices; 14 Special Treatment Units²; and Head Office.

The Department of Corrections consists of eight services and groups.

The *Public Prisons Service* is responsible for the safe, secure and humane containment of sentenced and remand inmates. Sentenced inmates are those imprisoned following conviction. Remand inmates are those who have been charged with an offence and are being held in custody pending pleas, trial, or sentencing. The Service is also responsible for managing the sentence needs of each offender, including those relating to rehabilitation and reintegration. Offender information is coordinated and supplied to the National Parole Board, District Prisons Boards and prison management.

The *Community Probation Service* provides information and reports to judges (to help them sentence offenders) and currently supplies information to the National Parole Board, District Prisons Boards and prison management. The Service manages community-based sentences, rehabilitation, reintegration, and orders such as supervision, community service, community programmes,

¹ Service sites include service centres, reporting centres and periodic detention centres.

² Special Treatment Units currently consist of three Drug and Alcohol Units, two Sex Offender Treatment Units, four Māori Focus Units, four Youth Units and one Violence Prevention Unit.



periodic detention, home detention, and parole orders, and also administers funding to providers of community-based programmes.

The *Psychological Service* provides specialist clinical treatment and advice for offenders, and training and education for departmental staff and community groups. The Service also undertakes a large number of research projects.

The *Service Purchasing and Monitoring Group* is responsible for purchasing corrections services from both internal and external providers. As part of this role, this Group monitors compliance with key operational and strategic standards. It establishes and monitors national systems that all providers are required to operate.

The *Policy Development Group* provides strategic analysis and policy advice. It evaluates and develops effective corrections services and establishes quality standards for service delivery.

The *Strategic Development Group* provides specialist advice and services to help run the Department. These include information technology, human resources, planning and communications.

The *Finance Group* provides a range of financial and property advice and support services to the Department. The Group incorporates Corrland Inmate Employment, which manages inmate employment in prisons throughout New Zealand.

Internal Audit provides assurances to the Chief Executive on key statutory accountabilities and oversees the implementation of the risk management framework. It reviews the systems and procedures in the Department and provides advice to the Chief Executive. Through the Inspectorate, it also provides assurance to the Chief Executive on the fair, safe, secure and humane treatment of offenders.



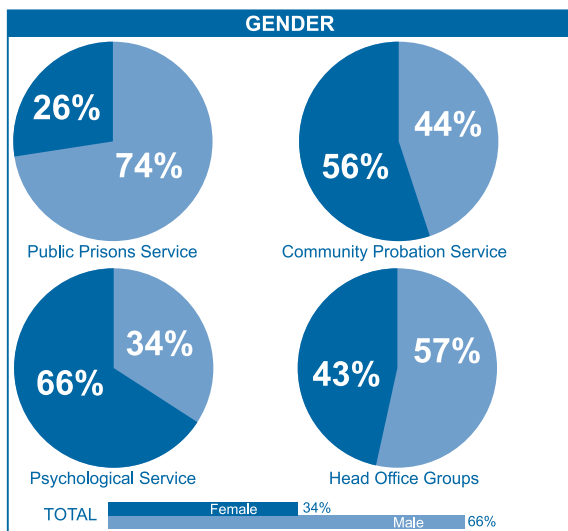


³ Mike Martelli is Acting Chief Financial Officer until the end of November 2001.
⁴ Rodney Barber is Acting General Manager until the end of November 2001.

HUMAN RESOURCE INFORMATION

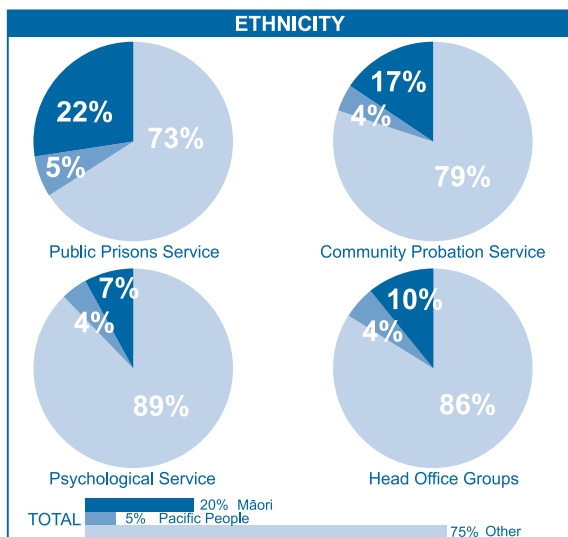
Gender

Figure 20: Department Gender Breakdown by Groups and Services



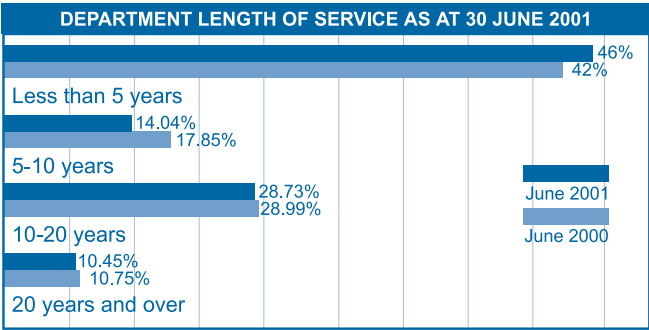
Ethnicity

Figure 21: Department Ethnicity by Groups and Services



Length of Service

Figure 22: Department Length of Service as at 30 June 2001



LEGAL RESPONSIBILITIES

The Department of Corrections has sole responsibility for the administration of the Penal Institutions Act 1954 and the Penal Institutions Regulations 1999.

Administration of the Criminal Justice Act 1985 and Regulations is carried out in conjunction with the Ministry of Justice and the Department for Courts.

PUBLIC REPORTS

The following reports were produced during the 2000/01 year and are available from the Department's Information Centre:

- *About Time*

This report presents a multi-agency strategy for reducing the incidence of serious crimes and thereby reducing prisoner numbers.

- *Better Corrections Law for New Zealand*

A public discussion document requesting submissions on new corrections legislation.

- *Census of Prison Inmates 1999*

The biennial census of prison inmates.

- *New Connections*

A discussion of the engagement in group therapy of incarcerated men who have sexually offended against children.

- *Offender Forecasts to 2013 by Gender, Ethnicity, Age and Area*

This report provides offender forecasts by gender, age ethnicity and area for the Public Prisons and Community Probation Services out to 2013.

- *Out of the Rut*

A report detailing the development and evaluation of a relapse prevention programme for disqualified drivers.

- *Reducing Recidivism in Driving while Disqualified*

This report is a treatment evaluation.

- *2001/02 Statement of Intent*

A statement of corporate intent for the coming year required under section 34a of the Public Finance Act 1989.



TERMS AND DEFINITIONS

Bicultural Therapy Model

A method of therapy involving Māori tohunga (a spiritual expert or healer) working alongside prison psychologists to treat offenders.

Breakout escape

Escape from a secured prison area that breaches a physical barrier. This definition has been further refined to include: *An escape where an inmate has breached security measures provided the inmate has physically left the area contained by the outermost perimeter fence, or if there is no such fence, prison buildings; police cell; vehicle or court complex or other place of custodial control; or from an officer escort anywhere.*

Criminogenic programmes

Programmes which address an offender's criminogenic (crime-causing) needs. These needs are the risk factors that lead to offending behaviour. By addressing these, offenders are less likely to re-offend.

District Prisons Boards

The District Prisons Boards, established under Part VI of the Criminal Justice Act 1985, determine the release of offenders on parole when the offender is serving a prison term of more than 12 months but less than seven years. The Boards set conditions of release for offenders who are not eligible for parole upon their final release date.

Economic farm surplus (EFS) per hectare

The total cash income generated by a farm, with cash adjustments for the difference between opening and closing stock numbers and classes, and less the purchase of replacement stock. From this figure, farm operating expenses, less wages of management, are deducted. The

net figure is then divided by the effective area of the farm. The economic farm surplus per hectare is the most common and standard measure of a farm's performance and its performance in comparison with those of a similar group of farms in terms of their physical similarity.

FReMO

The Framework for Reducing Māori Offending. This framework has been produced to guide the development of effective policy, interventions and research targeted at the reduction of Māori offending.

Habilitation Centre

An approved residential centre which operates programmes for offenders that are designed to identify and address the causes of, and factors contributing to, their offending.

IOM

Integrated Offender Management (IOM) is a coordinated, consistent approach to managing offenders across their sentence. It targets programmes and interventions at those offenders most at risk of further offending and addresses factors that are linked to an offender's offending.

IOMS

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

IPA

Internal Purchase Agreement. An agreement for the provision of services during the financial year between the Chief Executive of the Department and the head of each Service.



Māori Targeting Framework

A guide to the matching of services and programmes to Māori offenders

Māori Therapeutic Programmes

Specialist programmes substantively developed from a Māori perspective. They address offending-related and reintegrative needs.

NCES

The National Certificate in Employment Skills. This is a programme offered to inmates to assist them to gain the basic life skills needed upon release.

Non-return from temporary release

Refers to inmates released temporarily from prison who do not return at the appropriate time and are therefore counted as an escape from custody.

NZPARS

New Zealand Prisoners Aid and Rehabilitation Society (Inc).

Other escapes

Other escapes are defined as “walk-aways” and “escapes while on escort” (other than court-related).

Offender Treatment Readiness Project

A project which investigates the contribution that offender motivation makes to treatment engagement, participation and ultimately recidivism. It is hypothesised that an improvement in offender motivation will directly translate into increased programme attendance, improved performance and reduced drop-out. This could result in a subsequent reduction in the rate of recidivism.

Parole

The point of the sentence at which the Parole Board or a District Prisons Board may, but is not required to, release an offender pursuant to section 89 of the Criminal Justice Act 1985. An offender is released on parole from a term of imprisonment with standard conditions, including reporting to a Probation Officer, and special conditions which focus on rehabilitation.

Periodic Detention

A community-based sentence where an offender makes reparation to the community. Offenders work in groups in the community and/or undertake rehabilitative programmes.

PILLARS

Prison Inmates Loved Ones Linked as One to Renew Strength Incorporated.

Recidivism Index

The proportion of offenders who are not re-imprisoned within 12 months of completing a sentence or order.

Rehabilitation Quotient

The proportion of offenders given an intervention who are not re-imprisoned within 12 months of completing a sentence.

Status Courts

Full and frank discussions that provide the opportunity for early and full disclosure of the prosecution's case, so that the defendant may make an informed decision when making a plea and to help reduce the backlog of summary defended hearings and to speed up the court process.



Terms and
Definitions

Straight Thinking

A cognitive skills programme that aims to provide offenders with the opportunity to address one of the main factors contributing to their offending, namely the lack of critical reasoning skills required for effective social interaction.

Structured Individual Programmes

A 30-hour individual general programme developed under IOM specifications, to be run where criminogenic programmes are not available.

Supervision

An alternative to imprisonment that involves reporting regularly to a Probation Officer, and may include attendance at an appropriate programme that deals with the cause of the offending.

Te Wero

A training programme for all staff in the Community Probation Service. The purpose is to give staff working with Māori a basic understanding of Māori culture.

Tikanga

Māori culture and values. Tikanga Māori is used in programmes by the Department in an attempt to change behaviour and reduce re-offending by embracing and acknowledging a Māori perspective.

Victim Notification Register

A register administered by the Department of Corrections and Police. It enables victims of serious offences to be notified when an offender has temporary release, comes up for a parole hearing, escapes or is about to be released finally.

CORRECTIONS FACILITIES' LOCATIONS

Public Prisons Service

Auckland/Central North Island Region

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

Waikato/Central North Island Region

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

Midland Region

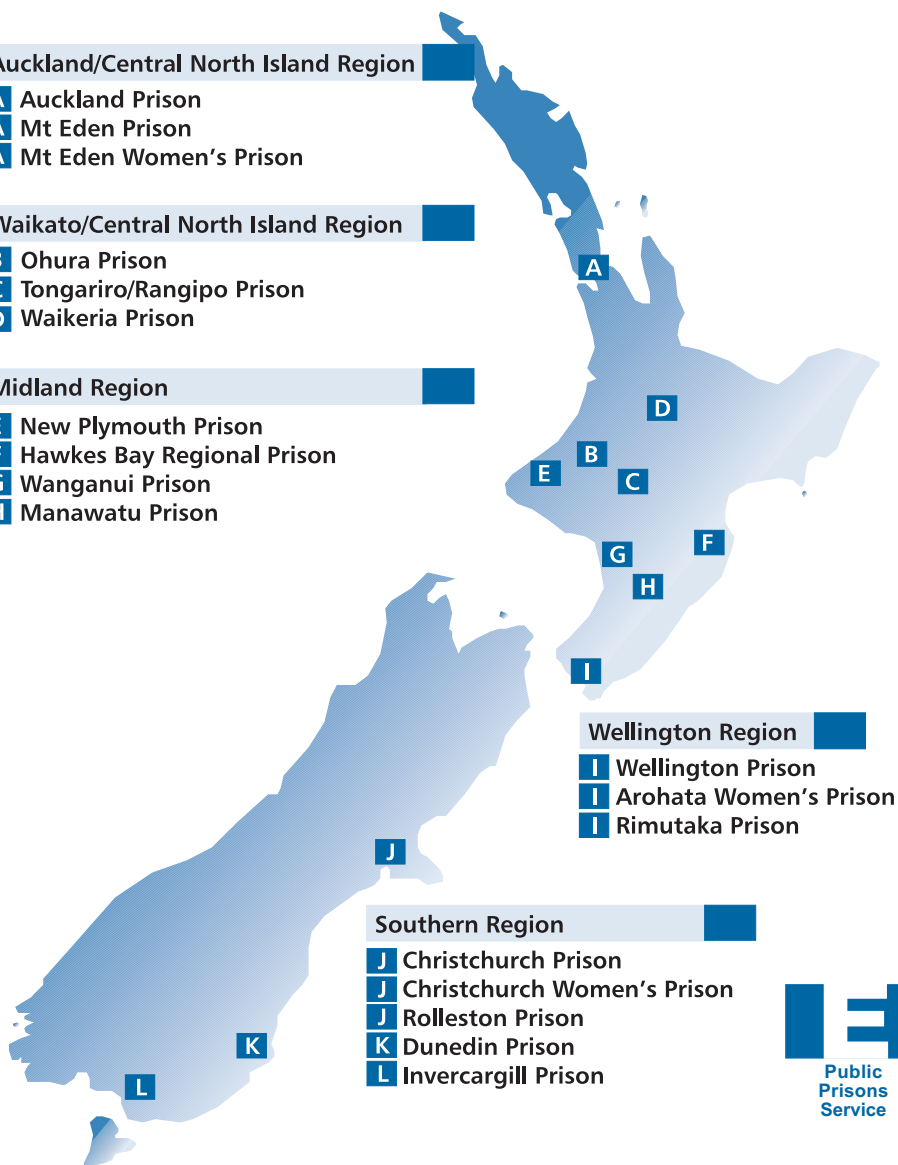
- E** New Plymouth Prison
- F** Hawkes Bay Regional Prison
- G** Wanganui Prison
- H** Manawatu Prison

Wellington Region

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

Southern Region

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



Psychological Service

Northern Region

- Auckland Office
- Te Piriti Special Treatment Unit (Auckland Prison)
- Hamilton Office
- Palmerston North Office
- Rotorua Office
- Hawkes Bay Office

Southern Region

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

Psychological Service

Community Probation Service

Northern Region

Taitokerau Area
Auckland Area
Waitemata Area
Bay of Plenty Coast Area
Manukau Area

Central Region

Hamilton Area
Rotorua Area
Wanganui/Taranaki Area
Taranua Area
Hawkes Bay/Gisborne Area

Southern Region

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

Community
Probation
Service

