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STATEMENT OF RESPONSIBILITY

In terms of the *Public Finance Act 1989*, section 45C, I am responsible, as Chief Executive of the Department of Corrections, for the preparation of the Department's financial statements and statement of service performance, and for the judgements made in these statements.

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

In my opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of the Department for the year ended 30 June 2013.

Signed



Ray Smith
Chief Executive
30 September 2013

Countersigned



Sean Mahony
Chief Financial Officer
30 September 2013

INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

To the readers of the Department of Corrections' financial statements and non financial performance information and schedules of non-departmental activities for the year ended 30 June 2013.

The Auditor-General is the auditor of the Department of Corrections (the Department). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the non-financial performance information and the schedules of non-departmental activities of the Department on her behalf.

We have audited:

- > the financial statements of the Department on pages 57 to 93, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and assets as at 30 June 2013, the statement of comprehensive income, statement of changes in taxpayers' funds, statement of departmental expenditure and capital expenditure against appropriations, statement of unappropriated expenditure, statement of trust monies and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- > the non-financial performance information of the Department that comprises the statement of service performance on pages 37 to 53 and the report about outcomes on pages 9 to 29; and
- > the schedule of non-departmental activities of the Department on page 93 that comprises the schedule of non-departmental expenses for the year ended 30 June 2013.

OPINION

In our opinion:

- > the financial statements of the Department on pages 57 to 93:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Department's:
 - financial position as at 30 June 2013;
 - financial performance and cash flows for the year ended on that date;
 - expenses and capital expenditure incurred against each appropriation administered by the Department and each class of outputs included in each output expense appropriation for the year ended 30 June 2013; and
 - unappropriated expenses and capital expenditure for the year ended 30 June 2013.
- > the non-financial performance information of the Department on pages 37 to 53 and 9 to 29:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Department's service performance and outcomes for the year ended 30 June 2013, including for each class of outputs:
 - its service performance compared with the forecasts in the statement of forecast service performance at the start of the financial year; and
 - its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.
- > the schedule of non-departmental activities of the Department on page 93 fairly reflects, in accordance with the Treasury Instructions, the non-departmental expenses against appropriation for the year ended on that date managed by the Department on behalf of the Crown.

Our audit was completed on 30 September 2013. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities, and we explain our independence.

BASIS OF OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the *International Standards on Auditing (New Zealand)*. Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements, the non-financial performance information and the schedules of non-departmental activities are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers overall understanding of the financial statements, the non-financial performance information and the schedules of non-departmental activities. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements, the non-financial performance information and the schedules of non-departmental activities. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, the non-financial performance information and the schedules of non-departmental activities, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Department's preparation of the financial statements, the non-financial performance information and the schedules of non-departmental activities that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.

An audit also involves evaluating:

- > the appropriateness of accounting policies used and whether they have been consistently applied;
- > the reasonableness of the significant accounting estimates and judgements made by the Chief Executive;
- > the appropriateness of the reported non-financial performance information within the Department's framework for reporting performance;
- > the adequacy of all disclosures in the financial statements, the non-financial performance information and the schedules of non-departmental activities; and
- > the overall presentation of the financial statements, the non-financial performance information and the schedules of non-departmental activities.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, the non-financial performance information and the schedules of non-departmental activities. Also we did not evaluate the security and controls over the electronic publication of the financial statements, the non-financial performance information and the schedules of non-departmental activities.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

RESPONSIBILITIES OF THE CHIEF EXECUTIVE

The Chief Executive is responsible for preparing:

- > financial statements and non-financial performance information that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the Department's financial position, financial performance, cash flows, expenses and capital expenditure incurred against each appropriation and its unappropriated expenses and capital expenditure; and
 - fairly reflect its service performance and outcomes.
- > schedule of non-departmental activities, in accordance with the Treasury Instructions, that fairly reflects those activities managed by the Department on behalf of the Crown.

The Chief Executive is also responsible for such internal control as is determined is necessary to enable the preparation of financial statements, non-financial performance information and schedules of non-departmental activities that are free from material misstatement, whether due to fraud or error. The Chief Executive is also responsible for the publication of the financial statements, non-financial performance information and schedules of non-departmental activities, whether in printed or electronic form.

The Chief Executive's responsibilities arise from the *Public Finance Act 1989*.

RESPONSIBILITIES OF THE AUDITOR

We are responsible for expressing an independent opinion on the financial statements, the non-financial performance information and the schedules of non-departmental activities and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the *Public Audit Act 2001* and the *Public Finance Act 1989*.

INDEPENDENCE

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

In addition to the audit we carried out assignments on the review of the tender process for the provision of control and restraint equipment, assurance over the selection process for the Wiri Prison Public Private Partnership (PPP), assurance over the Auckland East redevelopment project and the tender process for electronic monitoring equipment. These assignments are compatible with those independence requirements.

Other than the above assignments and audit, we have no relationship with or interests in the Department.



Clint Ramoo

Audit New Zealand

On behalf of the Auditor-General
Wellington, New Zealand

MATTERS RELATING TO THE ELECTRONIC PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE

This audit report relates to the financial statements and statement of service performance of the Department of Corrections for the year ended 30 June 2013 included on the Department of Corrections website. The Chief Executive is responsible for the maintenance and integrity of the Department of Corrections website. We have not been engaged to report on the integrity of the Department of Corrections website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 30 September 2013 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

As part of the Information Supporting the Estimates 2012/13 Budget 2012



APPROPRIATION – INFORMATION AND ADMINISTRATIVE SERVICES TO THE JUDICIARY AND NEW ZEALAND PAROLE BOARD

This appropriation is limited to the provision of information about offenders to victims of crime, the Judiciary and the New Zealand Parole Board (NZPB), and the provision of administrative, financial and secretariat services to the NZPB.

OUTPUT CLASS STATEMENT

For the year ended 30 June 2013

	2011/12		2012/13	
	Actual	Actual	Main	Supp.
	\$000	\$000	Estimates	Estimates
			\$000	\$000
REVENUE				
Crown	59,898	61,912	57,673	61,912
Departmental	511	–	1	1
Other	–	71	–	129
Total Revenue	60,409	61,983	57,674	62,042
Total Expenses	57,559	58,842	57,674	62,042
Net Surplus / (Deficit)	2,850	3,141	–	–

OUTPUT: INFORMATION SERVICES TO THE JUDICIARY

This output focuses on the preparation of reports that provide sentencing Judges with information about offenders, to assist with the sentencing process. This service includes attendance at court, prosecutions, and attendance at sentencing resulting from community probation initiated proceedings. This output supports the Judiciary to make informed decisions.

Performance Measures	2011/12		2012/13	
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUALITY				
The percentage of probation reports provided to court that met mandatory standards (see note 2)	97%	≥ 90%	98%	0%
TIMELINESS				
The percentage of reports provided to court within agreed timeframes before sentencing: (see note 3)				
· probation reports	95%	≥ 95%	94%	(1%)
· psychological reports	98%	≥ 95%	84%	(12%)

Activity Information	Actual Volume	Budget Volume	Actual Volume	Variance
NUMBER OF REPORTS AND HOURS				
The number of reports provided to court:	53,399	52,726	47,494	(5,232)
· probation reports	53,286	52,476	47,310	(5,166)
· psychological reports	113	250	184	(66)
The number of court attendance hours	102,159	107,057	97,561	(9,496)

The percentage of psychological reports provided to courts within agreed timeframes is 84 percent against a target of 95 percent. This is due to 16 reports not being delivered within timeframes (according to the agreed policy). However, all reports were delivered in time for the court hearing, and at no stage were any court hearings adjourned due to the late receipt of a psychological report.

OUTPUT: INFORMATION SERVICES TO THE NEW ZEALAND PAROLE BOARD (NZPB)

This output focuses on ensuring reports provide information to the Board to assist with decisions regarding a prisoner's release from prison. The Department also provides progress reports to the Board on offender compliance with the conditions of their parole orders. This output supports the Board to make informed decisions.

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUALITY				
The percentage of parole progress reports provided to agreed standards pursuant to NZPB requirements (see note 4)	99%	≥ 90%	97%	0%
TIMELINESS				
The percentage of reports provided to agreed timeframes pursuant to NZPB requirements: (see note 5)				
· parole assessment reports	85%	≥ 75%	88%	0%
· parole progress reports	97%	≥ 95%	96%	0%
· psychological reports	95%	≥ 95%	94%	(1%)
Activity Information				
Activity Information	Actual Volume	Budget Volume	Actual Volume	Variance
NUMBER OF REPORTS				
The number of reports provided to the NZPB:	8,352	7,669	8,249	580
· parole assessment reports	6,725	6,228	6,772	544
· parole progress reports	415	441	320	(121)
· psychological reports	1,212	1,000	1,157	157

The demand for reports to the New Zealand Parole Board was over the budget standard expected. The number of parole assessment reports prepared for the Board was nine percent over the budget standard expected while the number of psychological reports was 16 percent over the budget standard expected. The number of reports provided to the Board is demand driven, and is dependent on the number of requests from the Board.

OUTPUT: INFORMATION AND ADMINISTRATIVE SERVICES TO VICTIMS

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

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUALITY AND TIMELINESS				
The number of justified complaints about notification services received from registered victims	Nil	Nil	1	(100%)
Activity Information				
Activity Information	Actual Volume	Budget Volume	Actual Volume	Variance
NUMBER OF VICTIMS				
The number of victim referrals received from the New Zealand Police	754	≥ 700	753	53

One justified complaint was received in June 2013. The complaint was made by Police on behalf of the victim who was not notified of the offender's release from prison. The Department aims to have no justified complaints about notification services received from registered victims. Therefore, the one complaint represents a 100 percent variance against target.

The number of referrals from the New Zealand Police was eight percent over the standard expected, however it is almost the same as the number of referrals received for the 2011/12 financial year. The Department has no direct control over the number of referrals received.

OUTPUT: ADMINISTRATIVE SERVICES TO THE NEW ZEALAND PAROLE BOARD (NZPB)

The Department provides administrative services to the New Zealand Parole Board.

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUALITY				
The percentage of offenders who are notified as per NZPB requirements (see note 6)	100%	≥ 98%	100%	0%
The percentage of victims who are notified as per NZPB requirements (see note 7)	100%	≥ 98%	100%	0%
TIMELINESS				
The percentage of all cases to be heard by the NZPB that are scheduled no later than 16 weeks from the date of the hearing	100%	≥ 98%	100%	0%
Activity Information				
Activity Information	Actual Volume	Budget Volume	Actual Volume	Variance
NUMBER OF HEARINGS				
The number of NZPB hearings where administrative support was required	8,942	8,500	8,614	114

The New Zealand Parole Board is funded for 8,500 hearings and the result for 2012/13 was slightly above this. In all cases, offenders and victims received written notifications of pending hearings and hearing outcomes within specified timeframes.

APPROPRIATION – CONTRACT MANAGEMENT OF SERVICES PROVIDED BY THIRD PARTIES

This appropriation is limited to preparing for and managing contracts for the provision of services provided by third parties.

OUTPUT CLASS STATEMENT

For the year ended 30 June 2013

	2011/12		2012/13	
	Actual	Actual	Main	Supp.
	\$000	\$000	Estimates	Estimates
			\$000	\$000
REVENUE				
Crown	9,442	4,700	1,601	4,700
Departmental	–	–	–	–
Other	–	–	–	–
Total Revenue	9,442	4,700	1,601	4,700
Total Expenses	7,720	4,007	1,601	4,700
Net Surplus / (Deficit)	1,722	693	–	–

OUTPUT: WIRI PRISON PUBLIC PRIVATE PARTNERSHIP

This output covers the Public Private Partnership (PPP) project and the subsequent contract management of the prison for the provision of custodial services.

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance
QUALITY				
Complete contract negotiations with a preferred bidder and achieve financial close for the Wiri Public Private Partnership	Note 1	Achieved	Achieved	Nil
Establish governance, relationship and contract management arrangements for the management of the Wiri Public Private Partnership Contract	Note 1	Achieved	Achieved	Nil

OUTPUT: CONTRACT MANAGEMENT

This output covers the contract management of services provided by third parties to the Department.

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUALITY				
Undertake an audit of the contract outcomes for each contract by 30 June 2013, and report on the audit (see note 8)	Note 1	Achieved	Achieved	Nil
Non-compliance events in relation to the contract partner are managed within the contract (see note 9)	100%	100%	100%	0%
The number of times a contract partner delivers a formal innovative proposal for consideration	Note 1	12	12	0%

APPROPRIATION – POLICY ADVICE AND MINISTERIAL SERVICES (MULTI CLASS OUTPUT APPROPRIATION)

APPROPRIATION: POLICY ADVICE

This output class is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters¹⁰.

OUTPUT CLASS STATEMENT

For the year ended 30 June 2013

	2011/12		2012/13	
	Actual	Actual	Main	Supp.
	\$000	\$000	Estimates \$000	Estimates \$000
REVENUE				
Crown	–	4,225	4,069	4,225
Departmental	–	–	–	–
Other	–	–	–	–
Total Revenue	–	4,225	4,069	4,225
Total Expenses	–	3,621	4,069	4,225
Net Surplus / (Deficit)	–	604	–	–

APPROPRIATION: MINISTERIAL SERVICES

This output class is limited to the provision of responses to ministerial correspondence and parliamentary questions.

OUTPUT CLASS STATEMENT

For the year ended 30 June 2013

	2011/12		2012/13	
	Actual	Actual	Main	Supp.
	\$000	\$000	Estimates \$000	Estimates \$000
REVENUE				
Crown	–	1,121	745	1,121
Departmental	–	–	–	–
Other	–	–	–	–
Total Revenue	–	1,121	745	1,121
Total Expenses	–	997	745	1,121
Net Surplus / (Deficit)	–	124	–	–

¹⁰ In the comparative 2011/12 year, this was a multi-class output appropriation (MCOA).

POLICY ADVICE AND MINISTERIAL SERVICES

OUTPUT CLASS STATEMENT

For the year ended 30 June 2013

	2011/12	2012/13		
	Actual	Actual	Main	Supp.
	\$000	\$000	Estimates \$000	Estimates \$000
REVENUE				
Crown	4,728	-	-	-
Departmental	46	-	-	-
Other	-	-	-	-
Total Revenue	4,774	-	-	-
Total Expenses	4,622	-	-	-
Net Surplus / (Deficit)	152	-	-	-

APPROPRIATION: POLICY ADVICE

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

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUALITY				
The percentage of policy advice that was delivered according to the work programme agreed with the Minister of Corrections	100%	≥ 95%	100%	0%
The percentage of policy advice delivered to the Minister of Corrections that meets agreed standards (see note 10)	100%	≥ 95%	100%	0%
TIMELINESS				
The percentage of policy advice delivered to the Minister of Corrections within agreed timelines (see note 11)	99%	≥ 95%	100%	0%

APPROPRIATION: MINISTERIAL SERVICES

The Department provides responses to ministerial correspondence and parliamentary questions.

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUALITY				
The percentage of ministerial draft correspondence that is signed without changes	97%	≥ 90%	96%	0%
TIMELINESS				
The percentage of all responses to parliamentary questions that are completed within five working days	100%	≥ 98%	100%	0%
The percentage of responses to ministerial draft correspondence that are completed within 20 working days	100%	≥ 98%	100%	0%

APPROPRIATION – PRISON-BASED CUSTODIAL SERVICES

This appropriation is limited to the provision of custodial services for offenders lawfully required to be detained in custody. This includes remand prisoners (people awaiting trial, and offenders convicted but not yet sentenced), those offenders sentenced to imprisonment, and any other offender required to be lawfully detained in custody.

OUTPUT CLASS STATEMENT

For the year ended 30 June 2013

	2011/12		2012/13	
	Actual	Actual	Main	Supp.
	\$000	\$000	Estimates	Estimates
			\$000	\$000
REVENUE				
Crown	749,628	745,039	756,836	745,039
Departmental	6,698	290	426	678
Other	913	1,980	–	3,852
Total Revenue	757,239	747,309	757,262	749,569
Total Expenses	753,802	742,859	757,262	749,569
Net Surplus / (Deficit)	3,437	4,450	–	–

OUTPUT: CUSTODIAL SERVICES

This output provides custodial services for prisoners and ensures offenders complete the correct imposed order/sentence and comply with the specific restrictions and requirements of their order/sentence, are not harmed, and are treated fairly and their legitimate needs are met.

This output also provides for drug testing of prisoners while in prison. This is complemented by other drug control activities such as checkpoints, dogs, and cell searches.

Performance Measures	2011/12		2012/13	
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUANTITY				
The number of non-serious/no injury prisoner/prisoner assaults (see note 12)	812	≤ 800	720	0%
The number of non-serious/no injury prisoner/staff assaults (see note 12)	338	≤ 300	337	(12%)
The total number of drug tests sampled: (see note 13)	11,878	11,600	10,995	(5%)
· general random	4,140		4,191	
· reasonable cause	1,680		1,493	
· temporary release	1,102		1,430	
· identified drug user (IDU)	791		595	
· voluntary participant	3,429		2,726	
· identified drug user voluntary participant	736		520	

The appropriation for prison-based custodial services funds things such as prison facilities (17 prisons accommodating an average of 8,587 prisoners at any time), staff costs (3,112 custodial staff and 1,539 support staff in prisons), vehicles, overheads and prisoner costs. Examples of prisoner costs includes meals, clothing and prisoner movements. In 2012/13 there were approximately 90,000 movements of prisoners for reasons such as transferring between prisons, attending court and escorts for medical reasons.

The number of assaults remains a concern for the Department. We manage offenders in ways that minimise their risk of harm to others. This means managing prisoners to prevent assaults on staff and other prisoners. Our vision is to create a safe working environment where staff and offenders interact without violence.

An Expert Advisory Panel has been established, consisting of a group of recognised international experts who have proven that positive changes to staff safety can be made. We have developed a Staff Safety Action Plan, *Keeping Each Other Safe* that provides a solid foundation to achieve this mission. The plan focusses on initiatives that will help to create a safe working environment and safe practices for Corrections Services staff in prisons and the community.

Total drug screening tests carried out on prisoners was 605 below the anticipated standard of 11,600. Volumes for tests carried out under the 'random'¹¹ testing regime, made up 57 percent of all tests conducted.

Activity Information	Actual Volume	Budget Volume	Actual Volume	Variance
NUMBERS OF OFFENDERS				
The average prison population	8,587	8,341	8,614	273
The maximum number of prisoners held	8,738	8,506	8,743	237

OUTPUT: HEALTH

This output provides for health assessments and primary healthcare for all prisoners in custody.

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUALITY				
The percentage of new receptions who have been assessed as requiring a cardio-vascular risk assessment (CVRA), and receive a CVRA within eight weeks of identification with Prison Services	Note 1	≥ 90%	83%	(8%)
The number of identified Prison Services Health Centres achieving Cornerstone accreditation (see note 14)	Note 1	5	6	20%
The percentage of newly received prisoners who have a reception health triage assessment on the day of reception	98%	≥ 95%	99%	0%

Activity Information	Actual Volume	Budget Volume	Actual Volume	Variance
NUMBER OF PRISONERS				
The number of prisoners who require a health screening upon reception	29,295	27,500	30,253	2,753
The total number of health consultations with healthcare staff	234,421	240,000	264,422	24,422

The information used to report against the quality of cardio-vascular risk assessments (CVRA) being provided to prisoners was reviewed during the financial year. As a result, upgrades were made to the technology system and it is expected that improved results against this measure will be reported in the 2013/14 financial year.

Health services are generally demand driven, and as such the Department has limited control over the demand for its services. The prison population has a direct impact on the number of health services required each year.

The number of prisoners who received a health screening upon reception is above the standard expected due in part to the number of prisoner movements required following the closures of Wellington and New Plymouth Prisons. It is a requirement that all prisoners receive a health screening upon reception into prison, including internal transfers between prisons.

¹¹ The 'random' testing regime is made up of general random, temporary release and identified drug user (IDU).

APPROPRIATION – REHABILITATION AND RE-INTEGRATION

This appropriation is limited to the provision of case management and interventions designed to address the underlying causes of criminal re-offending.

OUTPUT CLASS STATEMENT

For the year ended 30 June 2013

	2011/12		2012/13	
	Actual	Actual	Main	Supp.
	\$000	\$000	Estimates	Estimates
			\$000	\$000
REVENUE				
Crown	116,894	117,074	120,019	117,074
Departmental	1,656	–	1	1
Other	35,450	38,190	30,998	35,099
Total Revenue	154,000	155,264	151,018	152,174
Total Expenses	153,567	145,923	151,018	152,174
Net Surplus / (Deficit)	433	9,341	–	–

OUTPUT: CASE MANAGEMENT

This output is focused on planning and managing a prisoner's rehabilitation and re-integration needs which are reflected in a high quality offender plan for each individual prisoner.

Performance Measures	2011/12		2012/13	
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUANTITY				
The percentage of prisoners entitled to receive an offender plan that received one (see note 15)	96%	≥ 95%	98%	0%

OUTPUT: INTERVENTIONS: EDUCATION AND SKILLS

This output focuses on providing prisoners with industry recognised education and skills that improve their ability to engage productively in society upon release. It ensures that those undertaking these educative interventions have had their educational and skill needs correctly assessed and that the Department is providing these opportunities to a minimum number of prisoners each year.

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUALITY				
The percentage of prisoners who demonstrate measurable gains with literacy and numeracy (see note 16)	89%	≥ 75%	82%	0%
QUANTITY				
The number of prisoners who have engaged in education programmes (see note 18)	Note 1	2,520	2,981	18%
The total number of qualifications achieved by prisoners through Corrections Offender Employment (see note 17)	3,145	2,550	3,160	24%

For 2012/13 the unique number of prisoners who engaged in education exceeded the target by 18 percent. This was primarily due to the expansion of the suite of foundation learning programmes, which replaced the original 'foundation skills' programme. The new programmes are shorter and better targeted to meet prisoner needs.

OUTPUT: INTERVENTIONS: PRISONER EMPLOYMENT

This output is focused on providing prisoners with employment relevant skills that can be applied upon release to secure employment.

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUANTITY				
The number of prisoners who have engaged in employment activities (see note 19)	Note 1	7,800	10,085	29%

In 2012/13, the Reducing Re-offending programme resulted in more prisoners having the opportunity to participate in employment activities than ever before. Participating in employment activities provides prisoners with real-life work experience and skills that will assist them to secure employment upon release.

OUTPUT: INTERVENTIONS: REHABILITATION

This output is focused on ensuring offenders start and complete their rehabilitation.

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUALITY				
The percentage of offenders who start and complete a rehabilitation programme:				
• prisoners	Note 1	≥ 75%	86%	0%
• community-based offenders	Note 1	≥ 65%	63%	(3%)
QUANTITY				
The number of offenders who start a rehabilitation programme:				
• prisoners	Note 1	9,450	11,279	19%
• community-based offenders	Note 1	5,350	6,329	18%

Successful programmes are key to reducing re-offending and effective participation by offenders is an important element in the success of the programme. In line with an increased focus on rehabilitation and re-integration, more opportunities to attend rehabilitative interventions were provided to offenders.

Overall, we performed well against our targets for delivery of rehabilitation interventions to prisoners and community-based offenders. Community-based programmes achieved a 63 percent completion rate, against a target of 65 percent. This was driven by lower than expected completion rates in Domestic Violence and Medium Intensity Suite programmes, which account for over 75 percent of the expected completion volume for community-based programmes. The completion rate for Domestic Violence was 54 percent, and the overall completion rate for Medium Intensity Suite programmes was 64 percent.

Rehabilitation programme completion rates were high for prisoners, with 86 percent against a target of 75 percent. This was driven by high completion rates across the Medium Intensity Suite of programmes, parenting programmes and Tikanga Māori programmes.

OUTPUT: INTERVENTIONS: RE-INTEGRATION

This output is focused on ensuring offenders start and complete their re-integrative interventions.

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUALITY				
The percentage of prisoners who have had their re-integrative needs addressed (see note 20)				
	Note 1	≥ 60%	78%	0%

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

Effective re-integration is important to our overall goal of reducing re-offending. Some offenders received re-integrative support on more than one occasion, either because they served multiple sentences, or they had multiple re-integrative needs to be addressed.

APPROPRIATION – SENTENCES AND ORDERS SERVED IN THE COMMUNITY

This appropriation is limited to the management and delivery of sentences and orders served in the community.

OUTPUT CLASS STATEMENT

For the year ended 30 June 2013

	2011/12	2012/13		
	Actual	Actual	Main Estimates	Supp. Estimates
	\$000	\$000	\$000	\$000
REVENUE				
Crown	192,377	206,483	213,013	206,483
Departmental	1,698	–	3	3
Other	–	323	–	576
Total Revenue	194,075	206,806	213,016	207,062
Total Expenses	193,842	203,233	213,016	207,062
Net Surplus / (Deficit)	233	3,573	–	–

OUTPUT: HOME DETENTION SENTENCES

This output covers sentences imposed by the courts that require the offender to reside at an approved address under strict conditions and with strict monitoring, including electronic monitoring. The Department ensures that offenders complete the correct imposed sentence and comply with the restrictions and requirements of their sentence.

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUALITY AND TIMELINESS				
Compliance with mandatory standards for home detention sentences	Note 1	≥ 98%	96%	(2%)
Activity Information	Actual Volume	Budget Volume	Actual Volume	Variance
NUMBERS OF OFFENDERS				
The total number of offenders commencing a home detention sentence	3,363	2,825	3,527	702
The average number of home detention sentences being served	2,693	2,329	2,854	525

The Judiciary used this sentencing option more than expected resulting in a five percent increase in the actual number of offenders who have commenced a home detention sentence between 2011/12 and 2012/13. The full year result was 25 percent more home detention sentences than the expected standard. It is expected that this sentencing option will continue to be fully utilised by the Judiciary during 2013/14.

OUTPUT: COMMUNITY-BASED SENTENCES

This output covers the management of offenders serving community-based sentences, being: community work, intensive supervision, community detention and supervision. The Department ensures that offenders complete the correct imposed sentence and comply with the restrictions and requirements of their sentence.

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUALITY AND TIMELINESS				
Compliance with mandatory standards for community-based sentences	Note 1	≥ 98%	95%	(3%)
Activity Information	Actual Volume	Budget Volume	Actual Volume	Variance
NUMBERS OF OFFENDERS				
The total number of offenders commencing community-based sentences	58,726	61,561	54,561	(7,000)
The average number of community-based sentences being served	33,076	34,090	30,359	(3,731)

The number of offenders commencing a community-based sentence was 11 percent lower than anticipated, decreasing the average number of community-based sentences. This was predominantly in relationship to community work sentences.

The number of community-based sentences imposed varies depending on rates of arrest, the nature of offending and judicial decisions.

OUTPUT: POST-RELEASE ORDERS

This output covers the management of offenders who have post-release conditions as imposed by the courts at the time of sentencing for prisoners with short sentences. It also covers parole orders imposed by the Board and extended supervision orders imposed by the courts, with additional special conditions set by the Board to actively manage the long term risks posed by high risk child-sex offenders in the community. The Department ensures that offenders complete the correct imposed order and comply with the restrictions and requirements of their order.

Performance Measures	2011/12	2012/13		
	Actual Standard	Budget Standard	Actual Standard	Variance (%)
QUALITY AND TIMELINESS				
Compliance with mandatory standards for post-release orders	Note 1	≥ 98%	98%	0%
Activity Information	Actual Volume	Budget Volume	Actual Volume	Variance
NUMBERS OF OFFENDERS				
The total number of offenders with a post-release order	6,140	6,336	5,999	(337)
The average number of post-release orders being served	5,968	6,151	5,917	(234)

The appropriation for sentences and orders served in the community funds things such as community corrections facilities (144 community corrections sites plus other support offices), staff costs (2,734 probation officers and community corrections support staff), vehicles, overheads and offender costs. Examples of offenders costs include safety equipment for community work parties, and Global Positioning System (GPS) monitoring equipment.

The number of prisoners released on post-release conditions imposed by the court, or directed to complete orders determined by decisions made by the New Zealand Parole Board, is beyond the ability of the Department to control.

The volume of offenders commencing a post-release order has declined and is dependent on the number of prisoners who appear before the New Zealand Parole Board and are released. The reduction in the number of offenders commencing a post-release order has also affected the average number of post-release orders being served.

NOTES TO PERFORMANCE MEASURES

Note #	Reference/Performance measure	Definition
1	New measure for 2012/13	These new performance measures are being introduced for the 2012/13 financial year.
2	The percentage of probation reports provided to court that met mandatory standards	Probation reports are completed to formal standards as set out in the <i>Community Probation Services Integrated Quality Framework</i> .
3	The percentage of reports provided to court within agreed timeframes before sentencing	<p>Probation reports are completed to timeframes as set out in the <i>Community Probation Service Operations Manual</i>. Specific timeframes are provided in respect of each of the individual report types that are included under the heading of 'Probation' reports.</p> <p>Psychological Services provides reports to court at least two working days before sentencing where a request is received, allowing an agreed minimum timeframe, as set out in the <i>Psychological Services Operations Manual</i>.</p>
4	The percentage of parole progress reports provided to agreed standards pursuant to NZPB requirements	Parole progress reports are completed to formal standards as set out in the <i>Community Probation Services Integrated Quality Framework</i> .
5	The percentage of reports provided to agreed timeframes pursuant to NZPB requirements	<p>Parole assessment reports are provided to the NZPB at least 15 working days prior to the hearing date.</p> <p>Parole progress reports are provided to the NZPB at least 10 working days prior to the hearing date.</p> <p>Psychological reports are prepared for the NZPB at least five weeks prior to the hearing date.</p>
6	The percentage of offenders who are notified as per NZPB requirements	<p>Offenders are notified of an impending hearing no later than 14 days from the date of the hearing.</p> <p>Offenders are notified of a Board decision no later than 14 days following receipt of the signed decision.</p>
7	The percentage of victims who are notified as per NZPB requirements	<p>Victims are notified of an impending hearing no later than 28 days from the date of the hearing.</p> <p>Victims are notified of a Board decision no later than 14 days following receipt of the signed decision.</p>
8	Undertake an audit of the contract outcomes for each contract by 30 June 2013, and report on the audit	All audits will be undertaken by 30 June 2013, with reports being completed within two months of the completion of the audit.
9	Non-compliance events in relation to the contract partner are managed within the contract	All "non compliance events" are recorded and tracked by the Commercial Contracts Team in the respective Contract Register, along with the process to be followed and the relevant timeframes.

Note #	Reference/Performance measure	Definition
10	The percentage of policy advice delivered to the Minister of Corrections that meets agreed standards	<p>This measure is the number of briefings accepted by the Minister and not returned as not meeting agreed standards as follows:</p> <ul style="list-style-type: none"> - includes a clear statement of purpose - is accurate and uses sound information - presents a clear, concise and logical argument, with explicit assumptions and supported by facts - draws on professional knowledge and appropriate methodologies - examines comparative material - presents options - uses a clear conceptual and well-articulated framework - considers resource, legal and human rights, implication and implementation issues/practicability - considers evaluation - considers issues for Māori and Pacific peoples - considers risk, costs and benefits.
11	The percentage of policy advice delivered to the Minister of Corrections within agreed timelines	This measure is around ensuring that advice is provided to the Minister within agreed timelines. Each policy advice item requested is subject to timelines agreed between the Minister and the Department.
12	The number of non-serious/no injury assaults	<p>Non-serious assault – An act of physical violence that resulted in physical injuries that may or may not have required medical attention, but not overnight hospitalisation or on-going medical treatment.</p> <p>No-injury assault – An act of physical violence that did not result in physical injuries or require any form of medical treatment.</p>
13	The total number of drug tests sampled	This measure is based on the total number of drug test samples collected, not on the number of unique individuals who provided samples; the following drug test categories are included: voluntary participant (manual), reasonable cause (manual), identified drug user voluntary participant (manual), temporary release (random), identified drug user (random), general random (random).
14	The number of identified Prison Services Health Centres achieving Cornerstone accreditation	To demonstrate that the level of care in prisons meets the standards of care that are available in the community all health centres are aiming to be accredited under the Cornerstone process. The accreditation process demonstrates that prison health centres meet the Royal New Zealand College of General Practitioners Aiming for Excellence standards for New Zealand general practice.
15	The percentage of prisoners entitled to receive an offender plan that received one	<p><i>Corrections Act 2004</i> – Section 51. Management Plans</p> <p>This section applies to every prisoner who is:</p> <ol style="list-style-type: none"> a) sentenced to imprisonment for a term of more than two months, or b) in custody for a continuous period of more than two months on remand.
16	The percentage of prisoners who demonstrate measurable gains with literacy and numeracy	Prisoners will be regularly assessed using the Literacy and Numeracy for Adults Assessment Tool after each period of 32 hours of tuition. Measurable improvements are where there is a statistically significant increase based on the Literacy and Numeracy for Adults Assessment Tool.

Note #	Reference/Performance measure	Definition
17	The total number of qualifications achieved by prisoners through Corrections Offender Employment	<p>Each qualification has been approved by the National Prisoner Training Manager as being in line with the New Zealand Qualifications Framework (NZQF) and is of specific value and relevance to prospective employers.</p> <ul style="list-style-type: none"> - National certification (Nat Cert) – qualification listed on the National Qualifications Framework (NQF) administered by the New Zealand Qualifications Authority (NZQA), composed of a prescribed number of unit standards and is a complete qualification. Range from level 1 to 4 within Corrections Offender Employment. - Limited credit programme (LCP) – qualification listed on the NQF administered by the NZQA, composed of a number of unit standards and is not a complete National Cert but is a pathway towards. - Modularised training programme – qualification not listed on the NQF administered by an Industry Training Organisation (ITO), composed of a number of unit standards and is not a complete National Cert but is a pathway towards. - Trade ticket – qualification underpinned by unit standards indicating trade currency and competency. Examples: 4711 Welding Ticket or Electrical Limited Regulation Ticket. - Drivers licence – qualification composed of unit standards authorising individuals to drive prescribed types of vehicles. - Health and safety – qualification sanctioned by ITOs, underpinned by or containing unit standards. Examples are: first aid, Grow Safe and Site Safe.
18	The number of prisoners who engaged in education programmes	<p>Education participation is a planned intervention that is scheduled and undertaken as part of an offenders plan. Ensuring every offender has an offender plan will assist in education being undertaken. The timing and sequencing of education will take into account an offender's needs as well as the other interventions the offender has planned.</p>
19	The number of prisoners who have engaged in employment activities	<p>Provision of prisoner employment, including the provision and administration of work experience and training opportunities designed to help address the underlying causes of criminal re-offending. The Department provides employment and work-based training with assessment of New Zealand Qualifications Framework (NZQF) unit standards and qualifications to prisoners.</p> <p>Eligible prisoners are provided with work related training to support their re-integration into the community on release from prison. Prisoners nearing their release date and who meet eligibility criteria, work outside the prison boundaries during the day in supervised work parties or on Release to Work to support their re-integration back into the community.</p>
20	The percentage of prisoners who have their re-integrative needs addressed	<p>Re-integration services build upon the rehabilitation programmes provided within New Zealand's prisons, enabling and supporting the offender's transition into the community, or to assist offenders serving sentences in the community to fulfil the conditions of their sentence or order.</p> <p>Re-integration services are demand driven and can be accessed by offenders while in custody (remand and sentenced) and post release. The services are not scheduled and are usually requested by offenders as they prepare to transition back to the community. The timing of re-integration is based on the offender's needs and support other interventions.</p> <p>The Department contracts re-integration providers to assist offenders with accommodation, employment or training, financial management, managing relationships and connecting with family/whanau, community support, victim related issues, and healthcare.</p>

