

MINISTER FOR CORRECTIVE SERVICES, MINISTER FOR PUBLIC SECTOR REFORM, AND SPECIAL MINISTER OF STATE

OVERVIEW

<i>Agency</i>	<i>2008-09 Budget \$m</i>	<i>2009-10 Budget \$m</i>	<i>Variation %</i>
Department of Corrective Services			
Total Expenses	911.4	936.9	2.8
Capital Expenditure	97.3	129.7	33.3
Total, Minister for Corrective Services, Minister for Public Sector Reform, and Special Minister of State	911.4 97.3	936.9 129.7	2.8 33.3

In addition to the agency listed above, the Minister is also supported by the Department of Premier and Cabinet (Section 2) for the Public Sector Reform portfolio area.

DEPARTMENT OF CORRECTIVE SERVICES

The Department of Corrective Services is a vital part of the criminal justice system, contributing to a safe, just and harmonious New South Wales.

The Department provides custodial and community-based correctional services on the *Throughcare* continuum. The aim of *Throughcare* is to assist offenders to complete their legal orders and to undertake correctional programs to reduce the risks of re-offending. This involves collaboration between the various branches of the Department and other agencies to provide a coordinated, integrated approach to rehabilitation.

RESULTS AND SERVICES

The Department has lead agency responsibility for coordinating with partner agencies to ensure delivery of the following State Plan priority:

- ◆ R2: Reduced re-offending.

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The Department is working towards the following results:

- ◆ Offenders are safely, securely and humanely managed in custody.
- ◆ Offenders are effectively and safely managed in the community.
- ◆ Offender programs are effective in reducing risks of re-offending.

These results support the achievement of the State Plan target to reduce re-offending by 10 per cent by 2016 and also contribute to other Government priorities in the areas of Rights, Respect and Responsibility through keeping people safe and building harmonious communities.

The following key services are provided by the Department to contribute to these results:

- ◆ Custody Management, which includes the containment of inmates and providing security for inmates, employees and visitors. It also includes providing court security and safe escort for inmates when they are transferred between correctional centres and courts.

A large number of offenders in custody have specific needs that have to be managed in custody. These needs arise from issues such as disabilities, the age of the offender, demonstrated violent behaviour or a history of sexual offending. There are also a number of offenders receiving compulsory therapeutic treatment for violent behaviour and drug addiction. These services are aimed at reducing re-offending and increasing community safety.

- ◆ Supervision of Offenders in the Community, which involves intensive community supervision and monitoring and providing a range of diversionary programs when offenders are subject to Community Service Orders or home detention. It also includes providing advice to courts and releasing authorities to assist in making decisions on pre-sentence, pre-release and post sentence arrangements.
- ◆ Offender Programs that are designed to reduce re-offending. The range of programs available to persons under custodial and community supervision includes accredited programs assisting with employment, training and education, as well as programs designed to assist offenders deal with addiction, aggression and violence. The Department also provides resettlement and community integration support by providing transitional accommodation.

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The key services provided by the Department and the way in which they are expected to contribute to results are set out in the following table:

Service Groups	2009-10 Budget Expenses \$m	Results		
		Offenders are safely, securely and humanely managed in custody	Offenders are effectively and safely managed in the community	Offender programs are effective in reducing risks of re-offending
Custody Management	667.7	✓		✓
Supervision of Offenders in the Community	116.0		✓	
Offenders Program	153.2		✓	✓
Total Expenses Excluding Losses	936.9			

RECENT ACHIEVEMENTS

The Department is progressively increasing the intensity of supervision and monitoring of offenders in community programs and providing more support services, intervention and drug treatment programs.

- ◆ Traineeships are offered under the auspices of the NSW Department of Education and Training at 13 correctional centres. For 2008-09, traineeships commenced by inmates increased from 103 to 147. Traineeships range from food processing, business administration, telecommunications to engineering, construction and furniture making.

The Department's registered training organisation for inmates, Adult Education and Vocational Training Institute, has also extended its core skill assessments (reading, writing and numeracy) and developed programs by which inmates can progressively improve literacy skills. Improvement in literacy skills has been shown internationally to reduce re-offending.

- ◆ Over the past financial year the Department has increased the number and reach of accredited programs designed to reduce re-offending. These programs include:
 - Controlling Anger and Learning to Manage It (CALM), which is now run at seven correctional centres and in 2008-09 was extended to three Community Offender Services offices.

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- Criminal Conduct and Substance Abuse Treatment Program, a 51 session program, which, like CALM, has been accredited to provide a medium to high intensity pathway for offenders whose substance abuse has been a major contributing factor to their offending.
 - Getting SMART (Self Management and Recovery Training) has been run at all correctional centres at some stage over the past year. The program is peer managed and run through SMART Recovery Australia. It teaches practical skills to assist offenders in achieving a healthy lifestyle balance on release from custody.
 - The Domestic Abuse program, with 190 staff trained to date, runs educational and preventative program courses to be used by agencies such as the NSW Police Force following the issue of an Apprehended Violence Order. In conjunction with the Attorney General's Department, work has also commenced on Perpetrator Maintenance Program.
- ◆ During 2008-09, 28 additional Senior Psychologist positions and 12 Facilitator positions have been created to work in District Offices and with the Community Compliance Group to provide assessment, consultation, advice and some early treatment for offenders under community supervision.

STRATEGIC DIRECTIONS

Numbers in custody are expected to increase by about 300 inmates each year. Short- and long-term strategies to manage this increase are continually under review.

Strategies to implement workplace reforms were approved by Cabinet in July 2008. These strategies include more efficient management arrangements, such as improved rostering, employing casual staff to fill unexpected and short term vacancies and more effective management plans. They also include trialling private sector operation of a correctional centre and boomgate and perimeter security.

Video conferencing has been successful in providing an alternative to direct court appearances by custodial inmates and reduces the cost of escort services and court security. The Department proposes to expand video conferencing to enable further containment of costs.

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The Department of Corrective Services, as the lead agency for achieving a reduction in re-offending rates, will also continue work with criminal justice and human services government and non-government agencies to develop strategies and plans to achieve this Government priority.

To further reduce re-offending, the Department is committed to improving the completion rates of orders and increasing the monitoring, supervision and support of offenders under community-based orders.

The Department also provides specific support programs for groups with high offender representation. As part of *Keep Them Safe: A shared approach to child wellbeing* the Department will provide support for adult Aboriginal offenders and parenting courses. The key strategies include two joint initiatives with non-government organisations:

- ◆ Mothering at a Distance Program (jointly with Tresillian Family Care Centres) aims to reduce the distress and trauma for young children caused by incarceration of female offenders and break the intergenerational cycle of crime. Education and support programs will be provided for Corrective and Tresillian staff who will act as facilitators for the education/therapeutic intervention with female offenders and their families.
- ◆ Hey, Dad! For Indigenous Dads, Uncles and Pops Program (jointly with Centacare) aims to enhance individual and leadership skills in being more effective dads, uncles and pops. It will offer men and their families opportunities for early intervention, family restoration and social equity.

2009-10 BUDGET INITIATIVES

Total Expenses

The Department's 2009-10 expenses are estimated at \$936.9 million, an increase of 2.8 per cent on last year's Budget. This includes:

- ◆ \$6 million for drug programs covering drug detection, screening, detoxification and education for general and high risk offender groups
- ◆ \$14.3 million to fund costs associated with the estimated average increase in inmate numbers and
- ◆ \$2 million for the continuation of the drug court operations.

Capital Expenditure

In 2009-10, the Capital Program allows for expenditure of \$129.7 million compared to \$97.3 million in 2008-09.

The program allows for new works of \$14.9 million in 2009-10 on an extensive ICT infrastructure strategic upgrade (estimated total cost of \$47.6 million). The upgrade will provide additional functionality and technology solutions. This includes developing an integrated approach to offender information (case files and records and information about their background, education, criminogenic and social issues) to assist in research, design and implementation of interventions and programs.

Works in Progress

A total of \$96.1 million has also been provided in 2009-10 for the continuation or completion of projects, including:

- ◆ \$90.8 million to accommodate the growing inmate population across New South Wales (estimated total cost of \$296.4 million). This project includes the 250-bed expansion of the Cessnock Correctional Centre and a new 600-bed correctional facility at Nowra, which will be completed in late 2010
- ◆ \$586,000 to complete the Electronic Case Management project, which will provide a consolidated information base to improve case management of offenders before, during and after custody in both custodial and community contexts
- ◆ \$1.5 million to continue the replacement of inmate transport vehicles and expand the fleet in line with growth in the inmate population
- ◆ \$350,000 to link the Kariong Juvenile Correctional Centre to biometric scanning technology to complete the refurbishment and electronic security upgrade of the centre and
- ◆ \$2.9 million to finalise stage 2 of the upgrade of the Silverwater Women's Correctional Centre (formerly Mulawa) to cater for both the operational and medical requirements of high need female inmates in a maximum security facility.

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Minor Works

The 2009-10 minor works allocation of \$18.7 million is an increase of \$7.6 million over the 2008-09 allocation. The program provides for minor building works, major maintenance and refurbishment of the Department's extensive building assets, as well as ongoing replacements of information communications technology assets and other plant and equipment.

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RESULT INDICATORS

Offenders are safely, securely and humanely managed in custody

	Units	2006-07 Actual	2007-08 Actual	2008-09 Forecast	2008-09 Revised	2009-10 Forecast
<u>Result Indicators:</u>						
Assaults on staff (per 100 staff) ^(a)	no.	0.9	0.8	≤ 0.8	0.9	≤ 0.9
Assaults on inmates (per 100 inmates) ^(a)	no.	11.1	9.6	≤ 9.6	13.4	≤ 13.4
Escapes from custody: ^(a)						
Open custody	%	0.2	0.2	0.0	0.3	0.0
Secure custody	%	0.0	0.0	0.0	0.0	0.0
Daily average out-of-cell hours: ^(b)						
Open custody	no.	12.6	11.9	13.1	11.9	11.9
Secure custody	no.	7.6	7.2	9.3	7.2	7.2
Basic education modules specifically structured for Aboriginal inmates ^(b)	no.	347	380	420	470	480
Visits to inmates ^(b)	no.	212,553	202,155	216,900	199,000	199,300

(a) These indicators show the effectiveness of safe management in custody.

(b) These indicators show the results of humane management strategies for inmates through basic education being provided and by facilitating support for family contacts.

Offenders are effectively and safely managed in the community

	Units	2006-07 Actual	2007-08 Actual	2008-09 Forecast	2008-09 Revised	2009-10 Forecast
<u>Result Indicators:</u>						
Community sentences successfully completed ^(a)	%	82.8	80.6	82.8	80.0	80.0
Revocations by State Parole Authority (calendar year): ^(b)						
Parole Orders	no.	1,742	1,791	n.a.	1,718	1,700
Home Detention Orders	no.	79	72	n.a.	69	65
Periodic Detention Orders	no.	503	526	n.a.	515	300

(a) This indicator shows effective management of offenders in the community.

(b) This indicator shows the effective supervision/monitoring of offenders in the community. Increases in diversionary and intervention programs in recent years are expected to result in reductions in revocations of orders in forward years.

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RESULT INDICATORS (CONT)

Offender programs are effective in reducing risks of re-offending

	Units	2006-07 Actual	2007-08 Actual	2008-09 Forecast	2008-09 Revised	2009-10 Forecast
<u>Result Indicators:</u>						
Custodial offenders returning to corrective services with a new custodial sanction within two years	%	43.8	43.0	46.8	43.0	43.0
Custodial offenders returning to corrective services within two years (any sanction)	%	46.3	45.2	n.a.	45.2	45.2
Community offenders returning to corrective services with a new custodial sanction within two years	%	16.7	18.5	16.9	18.5	18.5
Community offenders returning to corrective services within two years (any sanction)	%	29.0	28.3	29.3	28.3	28.3

These indicators contribute to the measurement of State Plan Priority R2. The target is to reduce the proportion of offenders who re-offend within 24 months of being convicted by court or having been dealt with at a conference by 10 per cent by 2016.

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SERVICE GROUP STATEMENTS

21.1 Custody Management

Service Description: This service group covers the containment of inmates in correctional centres and providing a secure environment for inmates, employees and visitors. This involves providing advice to courts and releasing authorities and maintaining reliable security systems, including escort security. It also includes providing support for inmates with special service needs, such as those requiring compulsory drug treatment, mental health and other disability services, therapeutic treatment for violence and sexual offending, and for specific age and aboriginality issues.

Linkage to Results: This service group contributes to safe, secure and humane management of inmates by working towards a range of intermediate results that include the following:

- ◆ Security for management of corrective centres, court custody and travel/escort of prisoners is effective.
- ◆ Visits with family and friends are facilitated.
- ◆ Offenders have access to personal development programs and are encouraged to undertake them.
- ◆ Offenders have access to, and are encouraged to participate in, programs designed to reduce the risk of re-offending.

<u>Service Measures:</u>	Units	2006-07 Actual	2007-08 Actual	2008-09 Forecast	2008-09 Revised	2009-10 Forecast
Average recurrent cost per inmate per day:						
Low security/periodic	\$	187	188	194	194	194
Medium/high security	\$	202	225	209	209	209
Daily average offenders in periodic detention	no.	741	728	750	740	740
Daily average full-time inmate population	no.	9,468	9,634	9,872	10,032	10,378
Escorts and court security conducted	no.	147,180	143,608	130,508	154,550	159,000
Video conferences conducted	no.	25,000	32,800	31,500	37,100	40,000
 <u>Employees:</u>	 FTE	 4,610	 4,609	 4,742	 4,451	 4,451

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SERVICE GROUP STATEMENTS (CONT)

21.1 Custody Management (cont)

	<u>2008-09</u>		2009-10
	Budget	Revised	Budget
	\$000	\$000	\$000
<u>Financial Indicators:</u>			
Total Expenses Excluding Losses	674,382	694,534	667,704
NET COST OF SERVICES	656,894	677,542	660,247
CAPITAL EXPENDITURE	88,856	145,326	109,098

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SERVICE GROUP STATEMENTS (CONT)

21.2 Supervision of Offenders in the Community

Service Description: This service group covers the supervision of offenders in community programs and the delivery of offender programs in the community.

Linkage to Results: This service contributes to the effective management of offenders in the community by working towards a range of intermediate results that include the following:

- ◆ Courts and releasing agencies have the relevant information and advice to make appropriate orders regarding community release of offenders.
- ◆ Offenders are effectively supervised and supported in working towards the successful completion of the order.
- ◆ A range of community-based sentencing options are available to meet the needs of diverse offender groups.

<u>Service Measures:</u>	Units	2006-07 Actual	2007-08 Actual	2008-09 Forecast	2008-09 Revised	2009-10 Forecast
Advice to courts/releasing authorities	no.	31,545	29,977	31,410	29,977	29,977
Average recurrent cost per offender per day	\$	11.65	12.40	11.70	11.70	11.70
Caseload intake	no.	25,974	24,864	25,945	26,672	26,672
Average Drug Court offenders supervised	no.	191	186	190	163	163
Average Home Detention offenders supervised	no.	213	152	226	172	172
<u>Employees:</u>	FTE	815	1,024	838	1,091	1,091

2008-09		2009-10
Budget \$000	Revised \$000	Budget \$000

Financial Indicators:

Total Expenses Excluding Losses	103,518	122,721	116,047
NET COST OF SERVICES	102,863	121,476	115,037
CAPITAL EXPENDITURE	4,206	9,536	17,242

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SERVICE GROUP STATEMENTS (CONT)

21.3 Offenders Program

Service Description: This service group covers the delivery of offender programs designed to reduce risks of re-offending and providing support services to assist offenders to re-settle and integrate back into the community.

Linkage to Results: This service group contributes to reducing re-offending by working towards a range of intermediate results that include the following:

- ◆ strategic partnerships with other government and non-government agencies providing offenders with community support and meeting resettlement needs
- ◆ increase in offenders successfully completing education and training courses
- ◆ increase in offender employment after release from custody and
- ◆ reduction in the rate of re-offending.

<u>Service Measures:</u>	Units	2006-07 Actual	2007-08 Actual	2008-09 Forecast	2008-09 Revised	2009-10 Forecast
Offender risks/needs assessments completed	no.	33,900	34,206	29,000	36,477	38,272
Targeted offender programs completed by inmates	no.	4,500	4,500	4,970	4,500	4,500
Addiction programs delivered	no.	185	154	223	200	250
Aggression and violence programs delivered	no.	90	95	105	105	105
Aboriginal transitional programs:						
Referrals	no.	214	230	230	248	410
Graduates	no.	110	176	174	171	174
<u>Employees:</u>	FTE	1,127	1,177	1,159	1,334	1,334

2008-09	2009-10
Budget \$000	Revised \$000
Budget \$000	Budget \$000

Financial Indicators:

Total Expenses Excluding Losses	133,489	162,272	153,173
Total expenses include the following:			
Inmates' after care	3,001	3,068	3,074
Clergy attending centres	1,594	2,015	1,594
NET COST OF SERVICES	116,116	140,784	134,520
CAPITAL EXPENDITURE	4,206	3,970	3,340

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	2008-09		2009-10 Budget \$000
	Budget \$000	Revised \$000	
OPERATING STATEMENT			
Expenses Excluding Losses			
Operating expenses -			
Employee related	640,165	696,947	654,278
Other operating expenses	189,857	205,117	202,719
Depreciation and amortisation	70,112	62,680	68,655
Grants and subsidies	4,595	8,507	4,668
Finance costs	6,462	6,197	6,406
Other expenses	198	79	198
Total Expenses Excluding Losses	911,389	979,527	936,924
Less:			
Retained Revenue			
Sales of goods and services	28,522	31,330	20,015
Investment income	1,183	841	1,210
Grants and contributions	5,237	6,390	5,299
Other revenue	583	1,147	596
Total Retained Revenue	35,525	39,708	27,120
Gain/(loss) on disposal of non current assets	...	17	...
Other gains/(losses)	(9)
NET COST OF SERVICES	875,873	939,802	909,804
RECURRENT FUNDING STATEMENT			
Net Cost of Services	875,873	939,802	909,804
Recurrent Services Appropriation	773,105	821,127	804,690
CAPITAL EXPENDITURE STATEMENT			
Capital Expenditure	97,268	158,832*	129,680
Capital Works and Services Appropriation	97,777	97,777	130,245

* Includes the leased component of the Long Bay Hospital redevelopment, which is financed as a Public Private Partnership arrangement with a finance lease of \$61.6 million. The commissioning of the hospital was deferred from 2007-08 to 2008-09.

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	2008-09		2009-10 Budget \$000
	Budget \$000	Revised \$000	
BALANCE SHEET			
ASSETS			
Current Assets			
Cash assets	21,402	18,338	21,642
Receivables	7,867	7,867	5,179
Inventories	6,940	8,901	7,259
Total Current Assets	36,209	35,106	34,080
Non Current Assets			
Property, plant and equipment - Land and building	1,608,019	1,635,148	1,679,919
Plant and equipment	75,869	89,732	108,029
Intangibles	543	3,558	1,515
Total Non Current Assets	1,684,431	1,728,438	1,789,463
Total Assets	1,720,640	1,763,544	1,823,543
LIABILITIES			
Current Liabilities			
Payables	43,055	47,628	48,769
Borrowings at amortised cost	565	565	627
Provisions	94,245	101,685	101,625
Other	962	1,116	1,116
Total Current Liabilities	138,827	150,994	152,137
Non Current Liabilities			
Borrowings at amortised cost	60,343	60,099	59,472
Total Non Current Liabilities	60,343	60,099	59,472
Total Liabilities	199,170	211,093	211,609
NET ASSETS	1,521,470	1,552,451	1,611,934
EQUITY			
Reserves	591,526	641,642	641,642
Accumulated funds	929,944	910,809	970,292
TOTAL EQUITY	1,521,470	1,552,451	1,611,934

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	2008-09		2009-10 Budget \$000
	Budget \$000	Revised \$000	
CASH FLOW STATEMENT			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related	599,235	632,627	618,845
Grants and subsidies	4,595	8,507	4,668
Finance costs	6,462	6,197	6,406
Other	203,497	245,757	223,370
Total Payments	813,789	893,088	853,289
Receipts			
Sale of goods and services	30,431	34,081	21,042
Interest	1,379	767	1,557
Other	29,129	42,764	29,304
Total Receipts	60,939	77,612	51,903
NET CASH FLOWS FROM OPERATING ACTIVITIES	(752,850)	(815,476)	(801,386)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment	...	17	...
Purchases of property, plant and equipment	(96,540)	(97,268)	(129,680)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(96,540)	(97,251)	(129,680)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings and advances	(509)	(900)	(565)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(509)	(900)	(565)
CASH FLOWS FROM GOVERNMENT			
Recurrent appropriation	773,105	821,127	804,690
Capital appropriation	97,777	97,777	130,245
NET CASH FLOWS FROM GOVERNMENT	870,882	918,904	934,935
NET INCREASE/(DECREASE) IN CASH	20,983	5,277	3,304
Opening Cash and Cash Equivalents	419	13,061	18,338
CLOSING CASH AND CASH EQUIVALENTS	21,402	18,338	21,642
CASH FLOW RECONCILIATION			
Net cost of services	(875,873)	(939,802)	(909,804)
Non cash items added back	102,104	117,887	103,007
Change in operating assets and liabilities	20,919	6,439	5,411
Net cash flow from operating activities	(752,850)	(815,476)	(801,386)