



**Queensland**  
Government

**MINISTERIAL PORTFOLIO STATEMENTS**

**2004-05 STATE BUDGET**

**MINISTER FOR  
POLICE AND CORRECTIVE SERVICES**

**DEPARTMENT OF CORRECTIVE SERVICES**

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**Hon. Judy Spence MP**  
**Minister for Police and**  
**Corrective Services**

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**F P Rockett**  
**Director-General**



## DEPARTMENTAL OVERVIEW

### STRATEGIC ISSUES

As a strategic partner in criminal and social justice for the Queensland Government, the department's purpose is 'community safety and crime prevention through an integrated correctional services system delivering humane containment, supervision and interventions for offenders'.

The department plays an important role in Queensland's law, justice and crime prevention strategies, and although some community safety and crime prevention activities are delivered by a single agency, the achievement of the whole-of-Government outcome 'safe and secure communities' requires the department, other agencies and key stakeholders to work together. The department works closely with the Queensland Police Service, the Department of Justice and Attorney-General, the Department of Emergency Services, the Department of Housing and other agencies, organisations and community groups to address criminal and social justice issues.

Understanding, managing and monitoring the success of the collaborative efforts of these partnerships is challenging. Where community safety and crime prevention strategies are delivered by an individual agency, their direct contribution can be monitored and measured more easily. For example, the department measures its performance in relation to the delivery of offender rehabilitation programs, however, system-wide measures such as recidivism (a measure of reoffending) monitor the collective effort of the department and other agencies.

Queensland reported recidivism outcomes better than the Australian average for three out of the four measures in the 2004 *Report on Government Services*. However, the longer term trend shows no discernable reduction in reoffending. While there are many factors outside the statutory control of the department that lead to reoffending, the strategic intent of the department is to collaborate with other agencies to improve community safety and crime prevention outcomes. The department can better understand its contributions to this outcome through ongoing performance monitoring of cross-agency information and returns to corrections data.

In terms of internal business processes, a particular recent focus for the department has been the development of an integrated offender management strategy including a business process and supporting information system to facilitate:

- € seamless linkages across the correctional service areas of community and custodial corrections
- € standardised assessment tools and consistent procedures
- € effective management of offenders State-wide with scheduled and event-based reviews of offender management plans
- € targeting of interventions according to assessed risks and criminogenic needs
- € a focus on reintegration planning.

The development process will be completed in 2004 and the challenge for the department is to successfully implement the strategy and realise the benefits of improved efficiency and better corrections outcomes.

Queensland's prisoner numbers rapidly grew from 1993 to 1999, with moderate fluctuations in recent years. An increasing State population, more police officers, improvements in police technology for the detection of crime, such as DNA databases and new legislation (including the *Dangerous Prisoners (Sexual Offenders) Act 2003*), are all factors that will contribute to a higher prisoner population over coming years.

The number of offenders on supervision and restricted movement orders remains relatively constant. In contrast, since the introduction of the State Penalties Enforcement Register (SPER) in November 2000, there has been a continuing reduction in the number of offenders on reparation orders.

Other issues that will influence the department's operations in 2004-05 and beyond include:

- € a more diverse prisoner and offender population with specific needs (for example, prisoners with mental health issues and an ageing prisoner population with consequential health management issues)
- € management of illicit drug use in all correctional settings
- € more specific conditions set independently by courts and by the statutory community corrections boards, including requirements for particular program participation
- € a continuing focus on the efficiency and effectiveness of correctional services
- € managing equity of access to accommodation in all correctional facilities
- € the need to target assessed risks and criminogenic needs with effective interventions
- € a review of the effectiveness and efficiency of the *Corrective Services Act 2000*
- € a commitment to the Queensland Aboriginal and Torres Strait Islander Justice Agreement and the whole-of-Government response to the Cape York Justice Study recommendations (*Meeting Challenges, Making Choices*)
- € over-representation of Indigenous people in the corrections system with approximately 24% of the prisoner population being Indigenous persons.

## **2004-05 HIGHLIGHTS**

### **Perimeter Security (\$6 million)**

In 2004-05, \$6 million has been allocated to the department for perimeter security upgrades or replacements at secure correctional facilities. This forms part of a five-year program in which a total of \$30 million will be allocated to this activity to ensure state-of-the-art security is maintained for the management of high-risk prisoners.

### **Capital Works**

In addition to perimeter security enhancements, other significant capital expenditure includes:

- € intercom upgrade at Borallon Correctional Centre (\$0.7 million)
- € officer stations at Woodford Correctional Centre (\$1.5 million)
- € lightning surge protection at correctional centres (\$1.8 million).

### **Commissioning additional 64 cells at the Woodford Correctional Centre (\$1.5 million)**

Due to anticipated prisoner population growth, funding has been provided for the commissioning of an additional 64 cells at the Woodford Correctional Centre.

### **Enterprise bargaining - corrections stream (\$5.9 million)**

Arbitration of the corrections award was concluded in April 2004. Three annual increases of 3.5% commencing 1 December 2003 have been factored into the department's budget.

## **Integrated Offender Management System (\$2.5 million)**

Development of the Integrated Offender Management System is essentially complete. This year's budget provides for the ongoing operating costs of the system. The system is designed to support the integration of the department's offender management work procedures, provide tools to assess offender criminogenic risk and needs and record reliable offender data.

## **DEPARTMENTAL OUTPUTS**

Outputs are goods and services delivered to the community. Outputs are generally specified at a point where their impact for communities can be readily assessed or measured.

Whole-of-Government outcomes are intended to cover all dimensions of community well-being. They express the current needs and future aspirations of communities, within a social, economic and environment context. The Government's priorities represent the areas of policy for focussed attention during a given term. They highlight key areas where improved results are sought.

The department principally contributes to the Government priority 'protecting our children and enhancing community safety' as defined in the Government's *Charter of Social and Fiscal Responsibility*.

The department aims to contribute to this Government priority and achieve its purpose through the delivery of the following outputs:

- € Facility-based Containment Services
- € Community Supervision Services
- € Correctional Intervention Services.

Facility-based Containment Services and Community Supervision Services impact directly and immediately on community safety. Facility-based Containment Services keep prisoners in custody and out of society, while Community Supervision Services regulate offenders in the community. Correctional Intervention Services increase the likelihood of offenders re-integrating successfully into the community and reducing the chance that they will re-offend.

The Facility-based Containment Services output includes:

- € publicly and privately managed secure custody correctional centres and a secure hospital unit
- € open custody correctional centres, including those attached to secure custody centres
- € community custody facilities including Work Outreach Camps (WORC), community corrections centres (publicly and privately managed), Indigenous community placement centres, and the Women's Community Custody Program
- € health and medical services
- € operational support services.

The Community Supervision Services output includes:

- € regional service delivery (supervision, restricted movement and reparation orders)
- € advisory and support services for courts and community corrections boards.

The Correctional Intervention Services output includes:

- € development and delivery of, and referral to, interventions designed to address offending behaviour
- € counselling and psychological services
- € prison industries
- € education
- € reparation in response to conditions of orders and sentences
- € research and evaluation services.

The contribution of the department's outputs to the Government's outcomes is detailed in the table below.

### **OUTPUT LINKAGES WITH GOVERNMENT OUTCOMES**

<b>Output Name</b>	<b>Government Outcome/ Strategic Governance</b>
Facility-based Containment Services	Safe and secure communities
Community Supervision Services	Safe and secure communities
Correctional Intervention Services	Safe and secure communities

## DEPARTMENTAL FINANCIAL SUMMARY

	2003-04 Budget \$'000	2003-04 Est. Actual \$'000	2004-05 Estimate \$'000
<b>CONTROLLED</b>			
<b>Revenue</b>			
Output revenue	384,617	398,801	407,957
Own source revenue	12,641	13,366	14,603
<b>Total revenue</b>	<b>397,258</b>	<b>412,167</b>	<b>422,560</b>
<b>Total expenses</b>	<b>397,258</b>	<b>412,167</b>	<b>422,560</b>
<b>Operating result</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>NET ASSETS</b>	<b>589,478</b>	<b>802,136</b>	<b>824,126</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Administered item revenue	..	..	..
Other administered revenue	928	696	742
<b>Total revenue</b>	<b>928</b>	<b>696</b>	<b>742</b>
<b>Expenses</b>			
Transfers of administered revenue to Government	928	696	742
Administered expenses	..	..	..
<b>Total expenses</b>	<b>928</b>	<b>696</b>	<b>742</b>
Note: 1. Explanations of variances are provided in the Explanation of Variances in the Financial Statements section and Output Statements of Financial Performance.			

## APPROPRIATIONS

	2003-04 Budget \$'000	2004-05 Estimate \$'000
<b>Controlled Items</b>		
Departmental Outputs	384,617	407,957
Equity Adjustment	25,856	(10,201)
<b>Administered Items</b>	<b>..</b>	<b>..</b>
<b>Vote Total</b>	<b>410,473</b>	<b>397,756</b>
Note: 1. A reconciliation of appropriations to the Financial Statements follows the Financial Statements.		

## STAFFING<sup>1</sup>

Output/Activity	Notes	2003-04 Est. Actual	2004-05 Estimate
<b>OUTPUTS</b>			
Facility-based Containment Services	3	2,073	2,101
Community Supervision Services		428	426
Correctional Intervention Services		506	504
<b>Total</b>		<b>3,007</b>	<b>3,031</b>
Notes:			
1. Full-Time Equivalents (FTEs) as at 30 June.			
2. Corporate FTEs are allocated across the outputs to which they relate.			
3. Increase is mainly due to further partial commissioning of the Woodford Correctional Centre.			

## 2004-05 OUTPUT SUMMARY

Output	Total Cost \$'000	Sources of Revenue			
		Output Revenue \$'000	User Charges \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Facility-based Containment Services	328,503	325,877	..	..	2,626
Community Supervision Services	40,946	40,946	..	..	..
Correctional Intervention Services	53,111	41,134	10,327	..	1,650
<b>Total</b>	<b>422,560</b>	<b>407,957</b>	<b>10,327</b>	<b>..</b>	<b>4,276</b>
Note:					
1. Explanations of variances are provided in the Financial Statements and Output Statements of Financial Performance.					

## **OUTPUT PERFORMANCE**

**OUTPUT: Facility-based Containment Services**

**RELATED OUTCOME: Safe and Secure Communities**

### **DESCRIPTION**

This output provides correctional services for the management and 24-hour-a-day supervision of all prisoners held in correctional facilities across Queensland. This output encompasses both privately and publicly operated correctional facilities that accommodate and manage prisoners sentenced by the courts to imprisonment or remanded in custody. The physical security of the facilities ranges from maximum security through high, medium and open security to community-based facilities, including WORC and Indigenous community placement centres. The secure custody facilities maintain prisoners in a secure environment away from society, while the open custody facilities assist the preparation of prisoners to transition into the community. Each prisoner is accommodated in a facility commensurate with his/her assessed risks and needs.

All facilities provide opportunities for prisoners to participate in education, employment, vocational training and programs designed to assist in addressing their offending behaviour. Secure and open custody facilities also provide prisoners with access to health and medical services.

Prisoners progress through correctional facilities in accordance with planned offender management assessment and review processes. These processes take into account community safety and the stage of the prisoner's progress in addressing his/her offending behaviour.

Transport and escort services ensure the safety of the community when prisoners are required to access the community, for example, to attend court or medical appointments.

### **REVIEW OF OUTPUT PERFORMANCE**

#### **Recent Achievements**

On average, 5,250 prisoners were managed and supervised per day in Queensland correctional facilities during 2003-04. This exceeds the 2003-04 estimate by 130 prisoners.

There have been no escapes from a secure custody facility since 1998.

Effective security at correctional centres is reflected by a decrease in the overall rate of escapes from non-secure custodial facilities. Between 1 July 2003 and 20 May 2004 there were five escapes from open custody and five from community custody.

A jurisdictional comparison indicates that the unnatural death rate among prisoners in Queensland in 2002-03 was the second lowest in Australia at 0.08 per 100 prisoners, which was below the national average of 0.10 per 100 prisoners (*Report on Government Services 2004*).

Between 1 July 2003 and 20 May 2004 there were four unnatural deaths in custody, including the death of one female Indigenous prisoner.

In terms of cost of operation, the 2004 *Report on Government Services* reported that in 2002-03 the 'all prisons' cost per prisoner per day in Queensland (\$146) continued to be below the Australian average (\$159.40).<sup>1</sup>

The *Corrective Services Amendment Act 2003* (the Act) was passed by Parliament on 19 August 2003 and commenced on 1 October 2003. The purpose of the Act is to address a number of operational issues, to improve the clarity and certainty of the *Corrective Services Act 2000* and to reduce several operational risks. In addition to these enhancements, other amendments are designed to bolster community protection from the risks posed by prisoners released on conditional release or on post-prison community based release.

Since 1991, the Shaftesbury Citizenship Centre contracted with the department for the management and operation of the Maconochie Lodge community custody centre. This facility ceased to function as a community custody facility in October 2003 and departmental buildings were donated to the Shaftesbury Citizenship Centre.

Townsville Correctional Centre entered into an agreement with a local animal sanctuary to grow 2,000 eucalypts as a food source for the sanctuary's koala population. The project involves the planting and maintenance of eucalypts by prisoner labour on cleared land at Townsville Correctional Centre. A similar arrangement operates at the Lotus Glen Correctional Centre. This is an example of the productive employment opportunities provided to prisoners and the department's modest contribution to supporting the sustainable development of the State's natural resources.

Enhanced surveillance systems for the monitoring of foreign or unauthorised matter are being installed in correctional centres for the screening of laundry prior to being processed by prisoners.

## **Future Developments**

The department will enhance its perimeter security by replacing nine perimeter vehicles with new state-of-the-art armoured vehicles.

The development and implementation of the Integrated Justice Information System is progressing. In 2004-05, the department will gain the following system functionality from the Government's investment in the system:

- € verdicts and judgement records from the lower jurisdiction courts
- € automated upload of Magistrates court results to the Integrated Offender Management System
- € notification of relevant court orders to custodial and community operations
- € notification of future court dates to custodial and community operations
- € query access to relevant court documentation.

Due to expected prisoner population growth an additional 64 cells will be commissioned at the Woodford Correctional Centre.

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<sup>1</sup> According to *Report on Government Services* counting rules.

The department's Integrated Offender Management System will be implemented in 2004-05 to support the Integrated Offender Management Strategy. The strategy aims to improve offender management through the integration of operational practices supported by shared assessment tools and reliable data.

A review of the effectiveness and efficiency of the *Corrective Services Act 2000* will commence. Policy position papers will be developed for consultation with stakeholders. The review will be completed in 2004-05 with new legislation to be developed and implemented in 2005-06.

## OUTPUT STATEMENT

Output: Facility-based Containment Services				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
<b>Quantity</b>				
Number of male prisoners	1			
Secure Custody		4,000	4,110	4,210
Open Custody		550	560	530
Community Custody		240	245	250
Number of female prisoners				
Secure Custody		270	265	280
Open Custody		40	45	40
Community Custody		20	25	25
<b>Quality</b>				
Escape rate – custody	2			
Secure Custody		0	0	0
Open Custody		0	0.8	0
Community Custody		0	1.9	0
Abscond rate	3			
Open Custody		0	0	0
Community Custody		<3.3	3.0	<3.3
Assault rate (prisoner on staff)	4			
Secure Custody		<1.2	2.4	<1.2
Open Custody		0	0.2	0
Assault rate (prisoner on prisoner)				
Secure Custody		<7.5	9.1	<7.5
Open Custody		<2.2	2.3	<2.2
Death rate (unnatural causes only)	5			
Secure Custody		0	0.1	0
Open Custody		0	0	0
<b>Timeliness</b>				
Completion of immediate risk needs on day of admission	6	100%	96%	100%
Completion of initial sentence plan within 21 days of admission	7	40%	28%	Discontinued
Completion of sentence management review within 6 months	8	100%	56%	100%
<b>Cost (\$)</b>				
Cost of containment per prisoner per day	9	\$165.46	\$165.87	\$167.24
<b>State Contribution (\$'000)</b>				
		<b>309,423</b>	<b>318,064</b>	<b>325,877</b>
<b>Other Revenue (\$'000)</b>				
		<b>1,391</b>	<b>2,591</b>	<b>2,626</b>
<b>Total Cost (\$'000)</b>				
		<b>310,814</b>	<b>320,655</b>	<b>328,503</b>

Notes:

1. Daily number of prisoners summed and then divided by the annual average daily state for each facility type.
2. Number of escapes divided by the annual average daily state for each facility type multiplied by 100.
3. Number of absconds divided by the annual average daily state for each facility type multiplied by 100.
4. Number of victims of assault divided by the annual average daily state for each facility type multiplied by 100. As at 20 May 2004, there was one prisoner on staff assault in open custody.
5. Number of unnatural deaths divided by the annual average daily state for each facility type multiplied by 100.
6. Number of risk needs assessments completed on day of admission divided by the number of offenders admitted multiplied by 100.
7. Number of initial sentence plans completed within 21 days of admission divided by the number of offenders admitted (sentenced to more than 12 months only) multiplied by 100. This measure has been discontinued as it is no longer applicable under the Integrated Offender Management Strategy.
8. Calculated by counting the number of sentence plans reviewed on a six-monthly basis and dividing by the number of those that should have been reviewed within the six-month interval multiplied by 100. 97% of sentence management reviews were completed within eight months.
9. Calculated by dividing the State contribution by the estimated annual average daily state divided by 365.25.

## Output Statement of Financial Performance – Facility-based Containment Services

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
<b>Revenues from ordinary activities</b>				
Output revenue	1,7	309,423	318,064	325,877
User charges		..	..	..
Grants and other contributions		..	..	..
Other	2,8	1,391	2,591	2,626
<b>Total revenues from ordinary activities</b>		<b>310,814</b>	<b>320,655</b>	<b>328,503</b>
<b>Expenses from ordinary activities</b>				
Employee expenses	3,9	110,530	138,494	147,632
Supplies and services	4,10	121,542	97,452	98,329
Equity return expense	5	29,245	36,336	44,907
Depreciation and amortisation		27,278	27,272	28,645
Grants and subsidies		673	673	673
Other		8,187	8,287	8,315
<b>Total expenses from ordinary activities excluding borrowing costs</b>		<b>297,455</b>	<b>308,514</b>	<b>328,501</b>
Borrowing costs	6	13,359	12,141	2
<b>Surplus or deficit from ordinary activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
Extraordinary items		..	..	..
<b>NET SURPLUS OR DEFICIT</b>		<b>..</b>	<b>..</b>	<b>..</b>
Notes:				
Significant variations between 2003-04 Budget and 2003-04 Estimated Actual include:				
1. Increases mainly due to additional funding for Equity Return and additional maintenance funding.				
2. Increase is due to higher than anticipated bank interest and miscellaneous receipts.				
3. Increase is attributed to a change in alignment between employee expenses and supplies and services.				
4. Decrease is mainly due to a change in alignment between supplies and services and employee expenses.				
5. Increase reflects the higher value of non-current assets.				
6. Decrease is due to the full repayment of borrowings.				
Significant variations between 2003-04 Budget and 2004-05 Estimate include:				
7. Increase is mainly due to additional funding for Enterprise Bargaining, Equity Return and Depreciation, further partial commissioning of Woodford Correctional Centre, the commissioning and operations of IOMS and additional asset maintenance, partially offset by a reduction in borrowing costs due to the full repayment of borrowings in 2003-04.				
8. Increase due to anticipated higher bank interest and miscellaneous receipts.				
9. Increase attributed to wage increases under Enterprise Bargaining Agreements, a change in alignment between employee expenses and supplies and services, and further partial commissioning of Woodford Correctional Centre.				
10. Decrease is mainly due to a change in alignment between supplies and services and employee expenses, partly offset by the commissioning and operations of IOMS, further partial commissioning of Woodford Correctional Centre and increased asset maintenance funding.				

## **OUTPUT PERFORMANCE**

**OUTPUT:** Community Supervision Services

**RELATED OUTCOME:** Safe and Secure Communities

### **DESCRIPTION**

This output provides correctional services for the monitoring and supervision of offenders on community corrections orders, including parole, home detention, probation, intensive correction orders, prison-probation orders, intensive drug rehabilitation orders, and the supervision of community service and fine option orders. The reparation element from the latter two orders is reported in the correctional intervention services output. Order supervision requires offenders to report to, or receive visits from, a community correctional officer and to comply with specific conditions of orders, which can include drug testing and/or satisfactory participation in offender programs. In addition, this output delivers significant advisory and support services to the judiciary and community corrections boards to assist in determining offender suitability for community-based supervision or orders.

The department has staff located in 33 area offices and delivers services from over 100 reporting centres. The frequency, intensity and type of offender contact with a supervising officer is determined by order type, order special conditions, offender risk level and need and geographical location.

### **REVIEW OF OUTPUT PERFORMANCE**

#### **Recent Achievements**

During 2003-04, the department supervised approximately 12,800 offenders on orders either direct from court or on post-prison community based orders. The number of offenders on supervision and restricted movement orders has not varied substantially compared to 2002-03, however, the downward trend in the number of offenders on reparation orders continued. This is mainly attributed to the operation of the SPER.

The 2004 *Report on Government Services* found that of those released in 2000-01, the rate of return to corrective services by Queensland offenders within two years was 16.4%, the lowest in the country. The Australian average was 25.8%. In addition, Queensland reported the lowest rate of offenders returning to community corrections at 10.6% compared to the Australian average of 19.9%.

The Drug Court program which commenced in South East Queensland at Beenleigh, Ipswich and Southport in June 2000 was extended to North Queensland in November 2002 where a trial is continuing. The department supports the Drug Court program with intensive supervision and case management of offenders and, through agency partnerships, supports offenders' successful completion of intensive drug rehabilitation programs. A report on the South East Queensland program from the Australian Institute of Criminology stated that it had a significant impact in reducing drug related offences. As of 30 April 2004, 329 drug rehabilitation orders have been made in the South East Queensland Drug Court and 89 persons have graduated. In the North Queensland trial, there have been 86 intensive drug rehabilitation orders made and eight graduations.

More effective drug testing is being undertaken in remote locations and isolated communities in conjunction with Queensland Health.

A program to provide drug testing facilities in community corrections area offices is continuing. This includes providing urinalysis rooms and the upgrade of the Roma Area Office.

Mount Isa Community Corrections Area Office moved into new premises in September 2003.

To improve access to departmental information, community correctional officers began using the Department of Justice and Attorney-General's Wide Area Network under a trial for network sharing in remote locations including Mitchell, Charleville, Cunnamulla, Warwick, Dalby and St George courthouses.

In November 2003 videoconferencing facilities were installed at the Community Corrections Boards' Secretariat. Corresponding videoconferencing facilities are available in each correctional centre in Queensland. The system allows Brisbane-based boards to conduct videoconference appearances for prisoners in all secure and open custody centres throughout the State. Since 1 December 2003 all appearances by prisoners before any of the Brisbane-based boards has been by videoconference thereby eliminating escape risk associated with transporting prisoners for board appearances.

The department has negotiated an operational procedure supported by a Memorandum of Understanding with the Queensland Police Service, which enables the collection of DNA samples from prisoners subject to post-prison community based release orders.

The State-wide roll out of the Offender Risk Need Inventory – Revised within community corrections was completed during 2003-04 in advance of the introduction of the Integrated Offender Management Strategy.

A Central Queensland Indigenous community engagement framework was developed. This framework is an integral element in generating practical, coordinated responses by departmental partners within the area covered by Central Queensland Community Corrections.

### **Future Developments**

The department is continuing to participate in the Drug Court Trial in South East and North Queensland.

The Central Queensland Regional Community Corrections Board is continuing a trial of the use of videoconferencing for prisoner appearances from the Maryborough and Capricornia Correctional Centres.

The upgrade of the Emerald office and offices at Mackay, Pine Rivers and Maroochydore will be completed in the coming year.

A joint operation to DNA test offenders subject to release to work, home detention and parole will occur in collaboration with the Queensland Police Service.

A regional Aboriginal and Torres Strait Islander community engagement framework will be trialled in line with the departmental community engagement strategy.

Community corrections staff are to undertake a review of service delivery in the Cape and Gulf communities in North Queensland with a view to increasing service to remote communities. To further advance this initiative a senior officer from the Cairns Area Office will be seconded to the Cape York Strategy Unit for 12 months.

## OUTPUT STATEMENT

Output: Community Supervision Services				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
<b>Quantity</b>				
Number of offenders				
Supervision orders	1			
- males		7,350	7,320	7,400
- females		1,730	1,800	1,820
Restricted movement orders	2			
- males		60	60	60
- females		6	7	7
Reparation orders	3			
- males		3,310	2,780	2,730
- females		990	840	820
Number of courts to which advisory services delivered	4	111	111	111
<b>Quality</b>				
Percentage of offenders successfully completing orders	5			
Supervision Orders		>65%	67%	>67%
Restricted Movement Orders		>85%	88%	>87%
Reparation Orders		>72%	73%	>73%
Percentage of offenders breached by reconviction	6,7			
Supervision Orders (excl parole)		<10%	8%	<8%
Restricted Movement Orders		<4.5%	1.8%	<2%
Percentage of offenders breached for other conditions	6,7			
Supervision Orders (excl parole)		>14%	11%	>14%
Restricted Movement Orders		>7%	6%	>7%
Reparation Orders		>23%	17%	>23%
<b>Location</b>				
Number of Area Offices		33	33	33
Number of Reporting Centres		102	102	102
<b>Cost (\$)</b>				
Cost of supervision per offender per day	8	\$7.20	\$8.15	\$8.73
<b>State Contribution (\$'000)</b>		<b>35,371</b>	<b>38,141</b>	<b>40,946</b>
<b>Other Revenue (\$'000)</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Total Cost (\$'000)</b>		<b>35,371</b>	<b>38,141</b>	<b>40,946</b>

Notes:

1. Offender numbers are calculated by counting the number of offenders on orders at the end of each month and averaging over the financial year. Order number data is the estimated count as at the end of June.
2. Supervision Orders include: Probation Orders, Prison/Probation Orders, Parole Orders, Intensive Correction Orders, Intensive Drug Rehabilitation Orders.
3. Restricted Movement Orders include: Home Detention Orders.
4. Reparation Orders include: Community Service and Fine Option Orders.
5. This measure is calculated by using the total number of successfully completed orders divided by the total completed orders multiplied by 100. The rate of successful completion of supervision orders has been partially affected by a change in departmental procedures.
6. These measures give greater clarity to successful completion data. Where contravention action is taken as a result of a reconviction this indicates criminal activity during the period of the order, however where contravention action is taken as a result of a breach of a condition this indicates that departmental officers are enforcing the conditions of orders and effectively utilising court action to encourage order compliance.
7. Breach rates are calculated for each order type by using the total number of offenders breached divided by the total number of offenders supervised by order type during the period multiplied by 100.
8. Cost is calculated by dividing the State contribution by the estimated average number of offenders over the financial year divided by 365.25.

## Output Statement of Financial Performance – Community Supervision Services

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
<b>Revenues from ordinary activities</b>				
Output revenue	1,5	35,371	38,141	40,946
User charges		..	..	..
Grants and other contributions		..	..	..
Other		..	..	..
<b>Total revenues from ordinary activities</b>		<b>35,371</b>	<b>38,141</b>	<b>40,946</b>
<b>Expenses from ordinary activities</b>				
Employee expenses	2,6	23,151	25,970	28,217
Supplies and services	3,7	8,593	6,285	7,190
Equity return expense	4	921	3,144	2,386
Depreciation and amortisation		917	923	1,351
Grants and subsidies		34	34	34
Other		1,755	1,785	1,768
<b>Total expenses from ordinary activities excluding borrowing costs</b>		<b>35,371</b>	<b>38,141</b>	<b>40,946</b>
Borrowing costs		..	..	..
<b>Surplus or deficit from ordinary activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
Extraordinary items		..	..	..
<b>NET SURPLUS OR DEFICIT</b>		<b>..</b>	<b>..</b>	<b>..</b>
<p>Notes:</p> <p>Significant variations between 2003-04 Budget and 2003-04 Estimated Actual include:</p> <ol style="list-style-type: none"> <li>1. Increases mainly due to additional funding for Equity Return and additional maintenance funding.</li> <li>2. Increase is attributed to a change in alignment between employee expenses and supplies and services.</li> <li>3. Decrease is mainly due to a change in alignment between supplies and services and employee expenses.</li> <li>4. Increase represents the higher value of non-current assets.</li> </ol> <p>Significant variations between 2003-04 Budget and 2004-05 Estimate include:</p> <ol style="list-style-type: none"> <li>5. Increase is mainly due to additional funding for Enterprise Bargaining.</li> <li>6. Increase is mainly attributed to wage increases under Enterprise Bargaining Agreements and a change in alignment between employee expenses and supplies and services.</li> <li>7. Decrease is mainly due to a change in alignment between supplies and services and employee expenses, partly offset by the commissioning and operations of IOMS.</li> </ol>				

## OUTPUT PERFORMANCE

**OUTPUT:** Correctional Intervention Services

**RELATED OUTCOME:** Safe and Secure Communities

### DESCRIPTION

This output provides services to assist in the effective rehabilitation of offenders. Offenders are assessed according to their risk levels and criminogenic needs, and are targeted for therapeutic programs and other interventions to address factors associated with his/her offending behaviour. They are provided with opportunities to participate in education, work, vocational education and training and programs to address his/her offending behaviour. By engaging in community service activities, offenders are able to make direct reparation to the community.

### REVIEW OF OUTPUT PERFORMANCE

#### Recent Achievements

It is estimated that offenders undertaking community reparation performed approximately 526,000 hours of community service work in over 1,200 work sites in 2003-04.

The total number of community service work hours performed decreased by approximately 74,000 hours between 2002-03 and 2003-04. This decline in hours continues to represent the impact of various SPER payment options. For this same period the average number of hours worked per offender per month increased from 11 hours to 12 hours per month.

Male and female offenders on the community custody program in South East Queensland, Warwick, Western and Central Queensland worked an estimated 67,000 hours during 2003-04. This is more than a 10% increase over the previous year.

The department seeks to ensure that prisoners and offenders participate in meaningful and valuable community service activities. Local community projects undertaken in 2003-04 include:

- € fencing at Alpha Station at Wyandra erected by Charleville camp prisoners to support the department's commitment to drought relief for western communities
- € assisting the Boulia rodeo operations. This year 1,800 visitors attended the three-day event
- € the restoration of the Uniting Church at Warwick, painting the perimeter fence of the historic Glengallon homestead and assisting in the preparation and catering for polo cross events in Warwick by the Women's Community Custody Program
- € the construction of a fence in Idalia National Park near Blackall in Central West Queensland by prisoners from the Blackall camp in conjunction with the Queensland Parks and Wildlife Service. The fence is being erected to minimise damage to the environment and cultural heritage sites by preventing stock from wandering in. Forty-two kilometres have been completed so far and another 21 kilometres are planned. As at 15 April 2004, 3,402 working hours, valued at \$51,030 were completed.

The department commenced new service delivery partnerships in 2003-04 including signing a Memorandum of Understanding with the Department of Emergency Services for a cooperative approach to responses to emergency situations in correctional centres.

Partnerships and agreements have also been renewed with Centrelink, Department of Health and Department of Employment and Training.

The department is developing a protocol with Disability Services Queensland that will enable access to advice regarding the management of prisoners with a disability and which will provide these prisoners with access to potential support following their release from custody.

In 2003-04 the department piloted a Transitions program and commenced preparation for implementation. The program is a standardised package, ensuring that all offenders receive a consistent, standardised level of accurate information about potential post release problems, planning assistance and linkages with appropriate community agencies. A review of available literature indicates that a failure to address many of the common issues facing offenders in the pre-release period, such as stable accommodation, employment and family reintegration, can be linked to recidivism. The program includes the following modules: Using Community Resources; Identification; Accommodation Options; Employment; Applying for Post Prison Community Based Release; Relapse Prevention; Health; Budgeting; Centrelink; and Change in Relationships.

The department is continuing to contribute to the *Family Violence Prevention Agreement* to address Indigenous family violence issues, both in Cape York and across Queensland.

A quality assurance system has been developed to improve the delivery of the department's intervention programs. The system will be supported with a program management manual, delivery monitoring and practice standards.

The department implemented Indigenous Sex Offender Programs.

An external evaluation of the Anger Management Program has been completed.

The elements of the Cultural Immersion Package are being implemented at Maryborough and Capricornia correctional centres. The package is consistent with the principles of integrated offender management.

An integrated vocational education and training and industry program was implemented at Maryborough Correctional Centre and continued at Capricornia and Woodford correctional centres.

The Drug Free Intensive Management Plan initiative is being trialed at Maryborough, Wolston and Woodford correctional centres.

Prisoners working in prison industries have built three additional Graffiti Taskforce Community Clean-Up Trailers. Two more are under construction at Woodford Correctional Centre.

## **Future Developments**

External evaluations of the Community Corrections Sex Offender Program, the Sex Offender Intervention Program and the Substance Abuse: Preventing and Managing Relapse Program will be completed in 2004-05.

The department will review the impact of the integration of prison industries and vocational education and training.

A departmental community engagement strategy will be developed. The strategy will include the trial of the Central Queensland Indigenous community engagement framework.

Program improvement strategies will be implemented to improve program delivery performance and program efficacy in reducing recidivism by targeting appropriate offenders. Additionally, the department will review its performance reporting mechanisms and measures.

A Memorandum of Understanding will be developed between the department and the Department of Housing to facilitate an integrated approach to the prevention of post-release homelessness.

## OUTPUT STATEMENT

Output: Correctional Intervention Services				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
<b>Quantity</b>				
Financial value of Community Service work performed	1	\$9.5 million	\$7.9 million	\$8.0 million
Financial value of work performed in regional Queensland through WORC and Women's Community Custody (WCC) programs	1	\$1.0 million	\$1.0 million	\$1.0 million
Annual hours curriculum (AHC) Vocational Education and Training Literacy/Numeracy	2	New measure New measure	New measure New measure	150,000 AHC 120,000 AHC
<b>Quality</b>				
Hours of community service performed per offender per month		>11	12	>12
Participation rate in core programs	3			
Secure Custody		>0.74	0.70	>0.74
Open Custody		>0.41	0.26	>0.41
Community Custody		>0.65	0.65	>0.65
Industry participation rate	4			
Secure Custody		>0.30	0.41	>0.35
Open Custody		>0.40	0.38	>0.40
Participation rate in literacy/numeracy programs	5			
Secure Custody		>0.19	0.09	Discontinued
Open Custody		>0.16	0.04	Discontinued
Participation rate in Vocational Education and Training programs	6			
Secure Custody		>0.24	0.10	Discontinued
Open Custody		>0.42	0.18	Discontinued
Percentage of successful completions Vocational Education and Training	7	New Measure	New Measure	70%
<b>Location</b>				
Number of community service project sites		1,200	1,206	1,200
<b>Cost (\$)</b>				
Correctional Intervention Services as a proportion of budget	8	10.3%	10.7%	10.1%
<b>State Contribution (\$'000)</b>		<b>39,823</b>	<b>42,595</b>	<b>41,134</b>
<b>Other Revenue (\$'000)</b>		<b>11,250</b>	<b>10,775</b>	<b>11,977</b>
<b>Total Cost (\$'000)</b>		<b>51,073</b>	<b>53,370</b>	<b>53,111</b>

Notes:

1. Financial value is calculated by taking the total number of community services hours performed in the review period and then multiplying the number by \$15.00.
2. This new measure has been adopted by the department as all state reporting to the Australian National Training Authority (ANTA) is based on Annual Hours Curriculum (AHC). AHC is calculated by multiplying the number of participants by the competency/module hours and then multiplying by the number of sessions.
3. This measure is calculated by using the number of program participants divided by the annual average daily state. The participation rate has been affected by changes in legislation that has seen an increase in the number of prisoners remaining in custody, who having already participated in core programs, distort the results. The core programs are Anger Management, Cognitive Skills and Substance Abuse: Preventing and Managing Relapse.
4. The monthly average number of prisoners in industries divided by the ((annual average daily state for each facility type) less the average number of prisoners in full-time education, illness and those unable to participate).
5. This measure has been discontinued. The new measures (see note 2,7) better reflect what performance is being achieved.
6. This measure has been discontinued. The new measures (see note 2,7) better reflect what performance is being achieved.
7. This new performance measure will be calculated on the successful completion of the modules enrolled.
8. This measure is calculated by dividing the State contribution by the total output revenue for the department multiplied by 100.

## Output Statement of Financial Performance – Correctional Intervention Services

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
<b>Revenues from ordinary activities</b>				
Output revenue	1,6	39,823	42,595	41,134
User charges		10,075	10,075	10,327
Grants and other contributions	2	1,175	700	1,650
Other		..	..	..
<b>Total revenues from ordinary activities</b>		<b>51,073</b>	<b>53,370</b>	<b>53,111</b>
<b>Expenses from ordinary activities</b>				
Employee expenses	3,7	30,554	32,073	33,036
Supplies and services	4	17,843	16,563	17,306
Equity return expense	5	655	2,664	1,495
Depreciation and amortisation		622	624	1,058
Grants and subsidies		..	..	..
Other		208	226	215
<b>Total expenses from ordinary activities excluding borrowing costs</b>		<b>49,882</b>	<b>52,150</b>	<b>53,111</b>
Borrowing costs	8	1,191	1,220	..
<b>Surplus or deficit from ordinary activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
Extraordinary items		..	..	..
<b>NET SURPLUS OR DEFICIT</b>		<b>..</b>	<b>..</b>	<b>..</b>

**Notes:**

Significant variations between 2003-04 Budget and 2003-04 Estimated Actual include:

1. Increases mainly due to additional funding for Equity Return and additional maintenance funding.
2. Decrease is due to the partial receipt of Post Release Employment Assistance Program funding from the Department of Employment and Training and delays in the implementation of the Stress Prevention Strategy Program.
3. Increase is attributed to a change in alignment between employee expenses and supplies and services.
4. Decrease is mainly due to a change in alignment between supplies and services and employee expenses, partly offset by additional maintenance funding.
5. Increase represents the higher value of non-current assets.

Significant variations between 2003-04 Budget and 2004-05 Estimate include:

6. Increase is mainly due to additional funding for Enterprise Bargaining, Equity Return and Depreciation, further partial commissioning of Woodford Correctional Centre, the commissioning and operations of IOMS and additional asset maintenance, partially offset by a reduction in borrowing costs due to the full repayment of borrowings 2003-04.
7. Increase is attributed to wage increases under Enterprise Bargaining Agreements, a change in alignment between employee expenses and supplies and services, and further partial commissioning of Woodford Correctional Centre.
8. Decrease is due to the full repayment of borrowings in 2003-04.

## CAPITAL ACQUISITIONS

The Department of Corrective Services has made considerable investment in security systems over a number of years with older centre systems now approaching the end of their useful lives. Accordingly, the Government has allocated \$6 million per annum for five years to enable the department to rejuvenate and update security systems across the State. A recent issue that has arisen at correctional centres is the debilitating effects of lightning strikes at secure custody centres and their consequent effects on the security systems. The department is allocated \$3.6 million over two years to address this security related issue.

The first stage of the Woodford Correctional Centre has received funding to address work related issues raised by officers within the cell blocks. In 2004-05, \$1.5 million has been allocated to provide improved officer work stations. This will include access to the tea preparation area, staff toilets and information technology services. The access to services will enable the officers to better service the prisoner population.

Prisoner safety issues relating to the need for an improved intercom system in the Borallon Correctional Centre will also be addressed in 2004-05 with \$0.7 million being allocated to upgrade the existing system.

In 2004-05 the program of works also includes the finalisation of contracts and minor works for Capricornia Correctional Centre.

The department is continuing an ongoing program of community correctional area office upgrades from the minor works capital funding, and has scheduled another three offices for attention in 2004-05. The funding for these works is included under the 'other acquisitions of property, plant and equipment' item in the Capital Acquisition Statement.

The Government has allocated a total of \$19.7 million for capital acquisitions in the 2004-05 financial year which includes carryovers from the previous financial year.

## CAPITAL ACQUISITION STATEMENT

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
<b><u>PROPERTY PLANT AND EQUIPMENT</u></b>				
<b>Property Plant and Equipment</b>				
Capricornia Correctional Centre (CC)	1	4,400	539	3,861
Maryborough CC	2	8,200	1,200	..
Woodford CC Expansion		125	125	..
Upgrade Perimeter Security Systems	3	..	..	6,000
Intercom Upgrade at Borallon CC	3	..	..	700
Officer Stations at Woodford CC	3	..	..	1,500
Correctional Centre Lightning Protection	3	..	..	1,800
<b>Other acquisitions of property plant and equipment</b>		<b>7,207</b>	<b>7,440</b>	<b>5,317</b>
<b>TOTAL PROPERTY PLANT AND EQUIPMENT</b>		<b>19,932</b>	<b>9,304</b>	<b>19,178</b>
<b><u>OTHER CAPITAL ACQUISITIONS</u></b>				
<b>Other Capital Acquisitions</b>				
Integrated Offender Management System	4	3,400	3,400	..
Integrated Justice Information System		..	..	559
<b>TOTAL OTHER CAPITAL ACQUISITIONS</b>		<b>3,400</b>	<b>3,400</b>	<b>559</b>
<b>TOTAL CAPITAL ACQUISITIONS</b>		<b>23,332</b>	<b>12,704</b>	<b>19,737</b>
<b><u>FUNDING SOURCES OF ACQUISITIONS</u></b>				
Equity Adjustment	5	25,856	199,646	(10,201)
Funding for depreciation and amortisation		28,866	28,819	31,054
Borrowings		..	..	..
Proceeds of asset sales		..	390	..
Other	5	(31,390)	(216,151)	(1,116)
<b>TOTAL FUNDING SOURCES</b>		<b>23,332</b>	<b>12,704</b>	<b>19,737</b>
Notes:				
1. Practical completion was achieved in 2001-02. The deferral of funding to 2004-05 reflects the finalisation of payments on the project.				
2. Practical completion was achieved in 2002-03. All payments on the project have been finalised with savings returned to the Consolidated Fund.				
3. Program of replacement or upgrade of components of the State's existing facilities.				
4. Finalisation of payments for the development of the Integrated Offender Management System in 2003-04.				
5. The large increase in equity funding and the large decrease in other funding sources is the result of the Government using some available cash balances within the Consolidated Fund to redeem a Treasury funded loan to the Department of Corrective Services on 31 May 2004.				

**DEPARTMENTAL  
FINANCIAL  
STATEMENTS**

## STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
<b>Revenues from ordinary activities</b>				
Output revenue	1,8,15	384,617	398,801	407,957
User charges		10,075	10,075	10,327
Grants and other contributions	2,16	1,175	700	1,650
Other	3,9	1,391	2,591	2,626
<b>Total revenues from ordinary activities</b>		<b>397,258</b>	<b>412,167</b>	<b>422,560</b>
<b>Expenses from ordinary activities</b>				
Employee expenses	4,10,17	164,235	196,537	208,886
Supplies and services	5,11,18	147,977	120,300	122,825
Equity return expense	6,12,19	30,821	42,144	48,788
Depreciation and amortisation	13,20	28,817	28,819	31,054
Grants and subsidies		707	707	707
Other		10,151	10,298	10,298
<b>Total expenses from ordinary activities excluding borrowing costs expense</b>		<b>382,708</b>	<b>398,805</b>	<b>422,558</b>
Borrowing costs	7,14,21	14,550	13,362	2
<b>Surplus or deficit from ordinary activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
Extraordinary items		..	..	..
<b>NET SURPLUS OR DEFICIT</b>		<b>..</b>	<b>..</b>	<b>..</b>
Non-owner transaction changes in equity:				
- Net increase (decrease) in asset revaluation reserve		21,195	36,195	32,191
- Net amount of each revenue, expense, valuation or other adjustment not disclosed above recognised as a direct adjustment to equity		..	..	..
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>		<b>21,195</b>	<b>36,195</b>	<b>32,191</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>21,195</b>	<b>36,195</b>	<b>32,191</b>

## STATEMENT OF FINANCIAL POSITION

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	22,38,54	29,310	38,587	39,229
Receivables	23,39	5,741	5,079	5,079
Inventories	24,40	1,639	1,941	1,941
Other	25,41	2,013	1,122	1,122
<b>Total current assets</b>		<b>38,703</b>	<b>46,729</b>	<b>47,371</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		721	577	577
Inventories		629	666	666
Other financial assets		158	184	184
Intangibles	26,42	11,943	6,176	6,702
Property, plant and equipment	27,43,55	755,275	783,410	803,758
Other		..	..	..
<b>Total non-current assets</b>		<b>768,726</b>	<b>791,013</b>	<b>811,887</b>
<b>TOTAL ASSETS</b>		<b>807,429</b>	<b>837,742</b>	<b>859,258</b>
<b>CURRENT LIABILITIES</b>				
Payables	28,44	15,334	17,893	17,893
Interest-bearing liabilities	29,45	34,543	..	..
Provisions	30,46	14,294	12,835	12,835
Other	31,47,56	462	1,992	1,517
<b>Total current liabilities</b>		<b>64,633</b>	<b>32,720</b>	<b>32,245</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables	32,48	1,136	..	1
Interest-bearing liabilities	33,49	152,182	..	..
Provisions	34,50	..	2,886	2,886
Other		..	..	..
<b>Total non-current liabilities</b>		<b>153,318</b>	<b>2,886</b>	<b>2,887</b>
<b>TOTAL LIABILITIES</b>		<b>217,951</b>	<b>35,606</b>	<b>35,132</b>
<b>NET ASSETS (LIABILITIES)</b>		<b>589,478</b>	<b>802,136</b>	<b>824,126</b>
<b>EQUITY</b>				
Contributed equity	35,51,57	151,030	303,034	292,833
Retained surpluses (accumulated deficits)	36,52	366,714	369,144	369,144
Reserves:				
- Asset revaluation reserve	37,53,58	71,734	129,958	162,149
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>589,478</b>	<b>802,136</b>	<b>824,126</b>

## STATEMENT OF CASH FLOWS

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Output receipts	59,68,79	384,617	398,801	407,957
User charges		30,059	30,059	30,311
Grants and other contributions		1,175	1,175	1,175
Other	60,69	22,066	23,113	23,301
<b>Outflows:</b>				
Employee costs	61,70,80	(164,235)	(196,537)	(208,886)
Supplies and services	62,71,81	(168,652)	(140,975)	(143,500)
Grants and subsidies		(707)	(707)	(707)
Borrowing costs	63,72,82	(14,550)	(13,946)	(1)
Equity return	64,73,83	(30,830)	(42,144)	(48,788)
Other		(30,135)	(30,282)	(30,282)
<b>Net cash provided by (used in) operating activities</b>		<b>28,808</b>	<b>28,557</b>	<b>30,580</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	390	..
<b>Outflows:</b>				
Payments for property, plant and equipment	65,74,84	(19,932)	(9,304)	(19,178)
Payments for intangibles	75,85	(3,400)	(3,400)	(559)
Payments for investments		..	..	..
<b>Net cash provided by (used in) investing activities</b>		<b>(23,332)</b>	<b>(12,314)</b>	<b>(19,737)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	66,76,86	25,856	199,646	..
<b>Outflows:</b>				
Dividends paid		..	..	..
Borrowing redemptions	67,77,87	(30,540)	(214,773)	..
Finance lease payments		..	..	..
Equity withdrawals	78,88	..	..	(10,201)
<b>Net cash provided by (used in) financing activities</b>		<b>(4,684)</b>	<b>(15,127)</b>	<b>(10,201)</b>
<b>Net Increase (decrease) in cash held</b>		<b>792</b>	<b>1,116</b>	<b>642</b>
<b>Cash at the beginning of financial year</b>		<b>28,518</b>	<b>37,471</b>	<b>38,587</b>
<b>Cash at the end of financial year</b>		<b>29,310</b>	<b>38,587</b>	<b>39,229</b>

## STATEMENT OF FINANCIAL PERFORMANCE

EXPENSES AND REVENUES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
<b>Revenues</b>				
Commonwealth grants		..	..	..
Taxes, fees and fines		1	1	1
Royalties, property income and other territorial revenue		..	..	..
Interest		..	..	..
Administered item revenue		..	..	..
Other		927	695	741
<b>Total revenues</b>		<b>928</b>	<b>696</b>	<b>742</b>
<b>Expenses excluding borrowing costs</b>				
Supplies and services		..	..	..
Depreciation and amortisation		..	..	..
Grants and subsidies		..	..	..
Benefit payments		..	..	..
Other		..	..	..
<b>Total expenses excluding borrowing costs</b>		<b>..</b>	<b>..</b>	<b>..</b>
Borrowing costs		..	..	..
<b>Surplus or deficit from ordinary activities</b>		<b>928</b>	<b>696</b>	<b>742</b>
Extraordinary items		..	..	..
<b>Net surplus or deficit before transfers to Government</b>		<b>928</b>	<b>696</b>	<b>742</b>
<b>Transfers of Administered Revenue to Government</b>		<b>928</b>	<b>696</b>	<b>742</b>
<b>NET SURPLUS OR DEFICIT</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF FINANCIAL POSITION

<b>ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT</b>	<b>Notes</b>	<b>2003-04 Budget \$'000</b>	<b>2003-04 Est. Act. \$'000</b>	<b>2004-05 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets		..	..	..
Receivables		45	29	29
Inventories		..	..	..
Other		..	..	..
<b>Total current assets</b>		<b>45</b>	<b>29</b>	<b>29</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Inventories		..	..	..
Other financial assets		..	..	..
Intangibles		..	..	..
Property, plant and equipment		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL ADMINISTERED ASSETS</b>		<b>45</b>	<b>29</b>	<b>29</b>
<b>CURRENT LIABILITIES</b>				
Payables		..	..	..
Transfers to Government payable		45	29	29
Interest-bearing liabilities		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>45</b>	<b>29</b>	<b>29</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL ADMINISTERED LIABILITIES</b>		<b>45</b>	<b>29</b>	<b>29</b>
<b>ADMINISTERED NET ASSETS (LIABILITIES)</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>EQUITY</b>				
Contributed equity		..	..	..
Retained surpluses (accumulated deficits)		..	..	..
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
<b>TOTAL ADMINISTERED EQUITY</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CASH FLOWS

<b>CASH FLOWS ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT</b>	<b>Notes</b>	<b>2003-04 Budget \$'000</b>	<b>2003-04 Est. Act. \$'000</b>	<b>2004-05 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Administered item receipts		..	..	..
Grants and other contributions		..	..	..
Taxes, fees and fines		1	1	1
Royalties, property income and other territorial revenues		..	..	..
Other		927	695	741
<b>Outflows:</b>				
Transfers to Government		(928)	(696)	(742)
Grants and subsidies		..	..	..
Supplies and services		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
<b>Net cash provided by (used in) operating activities</b>		..	..	..
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment		..	..	..
Payments for intangibles		..	..	..
Payments for investments		..	..	..
<b>Net cash provided by (used in) investing activities</b>		..	..	..
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by (used in) financing activities</b>		..	..	..
<b>Net increase (decrease) in cash held</b>		..	..	..
<b>Administered cash at beginning of financial year</b>		..	..	..
<b>Administered cash at end of financial year</b>		..	..	..

# EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

The establishment of the Shared Service Initiative (SSI) and transition to Shared Service Providers and CorpTech occurred on 1 July 2003. Many corporate services employees in this agency transitioned to PartnerOne or CorpTech on this date. However, at the time of developing the 2003-04 Budget the details of the resources to be transferred were not finalised. As a consequence, the 2003-04 Ministerial Portfolio Statement for this agency reflected the resourcing arrangements in place prior to the implementation of the SSI. The 2003-04 Budget column in this Ministerial Portfolio Statement now includes the impact of resources transitioned as part of the SSI.

## Statement of Financial Performance

Major variations between 2003-04 Budget and 2003-04 Estimated Actual include:

1. Increase is mainly due to additional funding for Equity Return and additional maintenance funding.
2. Decrease is mainly attributed to delays in the implementation of the Stress Prevention Strategy Program and receipts for the Post Release Employment Assistance Program from the Department of Employment and Training.
3. Increase is due to higher than anticipated bank interest and miscellaneous receipts.
4. Increase is attributed to a change in alignment between employee expenses and supplies and services.
5. Decrease is mainly due to a change in alignment between supplies and services and employee expenses, partly offset by additional maintenance funding.
6. Increase represents the higher value of non-current assets.
7. Decrease is due to the full repayment of borrowings in 2003-04.

Major Variations between 2003-04 Budget and 2004-05 Estimate include:

8. Increase is mainly due to additional funding for Enterprise Bargaining, Equity Return and Depreciation, further partial commissioning of Woodford Correctional Centre, the commissioning and operations of IOMS and additional asset maintenance, partially offset by a reduction in funding for borrowing costs due to the full repayment of borrowings in 2003-04.
9. Increase is due to higher anticipated bank interest and miscellaneous receipts.
10. Increase is attributed to wage increases under Enterprise Bargaining Agreements, a change in alignment between employee expenses and supplies and services and further partial commissioning of Woodford Correctional Centre.
11. Decrease is mainly due to a change in alignment between supplies and services and employee expenses, partly offset by the commissioning and operations of IOMS, further partial commissioning of Woodford Correctional Centre and increased asset maintenance funding.
12. Increase represents the higher value of non-current assets and the repayment of borrowings.
13. Increase represents the higher value of non-current assets due to the commissioning of IOMS and replacement of perimeter security systems.
14. Decrease is due to the full repayment of borrowings in 2003-04.

Major variations between 2003-04 Estimated Actual and the 2004-05 Estimate include:

15. Increase is mainly due to additional funding for Enterprise Bargaining, Equity Return and Depreciation, and further partial commissioning of Woodford Correctional Centre, the commissioning and operations of IOMS, and increased asset maintenance funding.
16. Increase is due to partial receipt of Post Release Employment Assistance Program from the Department of Employment and Training and delays in the implementation of the Stress Prevention Strategy Program from the previous financial year.
17. Increase is mainly attributed to wage increases under Enterprise Bargaining Agreements and further partial commissioning of Woodford Correctional Centre.
18. Increase is mainly due to commissioning of new infrastructure, the commissioning and operations of IOMS, and increased asset maintenance funding.
19. Increase represents the higher value of non-current assets and the repayment of borrowings.
20. Increase represents the higher value of non-current assets due to the commissioning of IOMS and replacement of perimeter security systems.
21. Decrease is due to the full repayment of borrowings in 2003-04.

## Statement of Financial Position

Major variations between 2003-04 Budget and 2003-04 Estimated Actual include:

22. Variation reflects timing differences in transactions involving cash, receivables and prepayments, and increased retained earnings.
23. Decrease is mainly attributed to an improvement in the time taken to recover receivables.
24. The increase is mainly attributable to prisoner industries.
25. Variation reflects timing differences in prepayments.
26. Decrease is due to re-identifying some intangible assets as property, plant and equipment.
27. Increase mainly reflects revaluation of land, building and infrastructure and re-identifying some intangible assets.
28. Increase is mainly due to an increased number of days of salary being unpaid at year end.
29. Decrease is attributed to the earlier than anticipated repayment of borrowings.
30. Decrease reflects a transfer between current liabilities and non-current liabilities for annual leave.
31. Increase is mainly unearned grant revenue and other current liabilities.
32. Decrease is attributed to the earlier than anticipated repayment of borrowings.
33. Decrease is attributed to the earlier than anticipated repayment of borrowings.
34. Increase reflects a transfer between current liabilities and non-current liabilities for annual leave.
35. Increase is attributed to the earlier than anticipated repayment of borrowings.
36. Increase reflects the retained surplus from 2002-03.
37. Increase reflects the outcome of a revaluation of the department's non-current assets.

Major variations between 2003-04 Budget and 2004-05 Estimate include:

38. Variation reflects timing differences in transactions involving cash, receivables and prepayments, and increased retained earnings.
39. Decrease is mainly attributed to an improvement in the time taken to recover outstanding moneys owed.
40. The increase is mainly attributable to prisoner industries.
41. Variation reflects timing differences in prepayments.
42. Decrease is due to re-identifying some intangible assets as property, plant and equipment.
43. Increase is mainly due to revaluation of land, buildings and infrastructure.
44. Increase is mainly due to an increased number of days of salary being unpaid at year end.
45. Decrease is attributed to the earlier than anticipated repayment of borrowings.
46. Decrease reflects a transfer between current liabilities and non-current liabilities for annual leave.
47. Increase is mainly unearned grant revenue and other current liabilities.
48. Decrease is attributed to the earlier than anticipated repayment of borrowings.
49. Decrease is attributed to the earlier than anticipated repayment of borrowings.
50. Increase reflects a transfer between current liabilities and non-current liabilities for annual leave.
51. Increase is attributed to the earlier than anticipated repayment of borrowings.
52. Increase reflects retained surplus from 2002-03.
53. Increase reflects the outcome of the annual revaluation of the department's non-current assets.

Major variations between 2003-04 Estimated Actual and the 2004-05 Estimate include:

54. Variation reflects timing differences in transactions involving cash, receivables and prepayments, and increased retained earnings.
55. Increase is mainly due to revaluation of land, buildings and infrastructure.
56. Decrease is due to a reduction in unearned grant revenue and other current liabilities.
57. Decrease is due to programmed Equity Withdrawal.
58. Increase reflects the outcome of the annual indexation of the department's non-current assets.

## Statement of Cash Flows

Major variations between 2003-04 Budget and 2003-04 Estimated Actual include:

59. Increase is mainly due to additional funding for Equity Return and additional maintenance funding.
60. Increase is unanticipated bank interest and higher than anticipated miscellaneous receipts.
61. Increase is mainly attributed to a change in alignment between employee expenses and supplies and services.
62. Decrease is mainly due to a change in alignment between supplies and services and employee expenses, partly offset by additional maintenance funding.
63. Decrease attributed to the earlier than anticipated repayment of borrowings.
64. Increase represents the higher value of non-current assets.
65. Lower figure for property, plant and equipment reflects the outstanding finalisation of litigation proceedings with regard to Capricornia Correctional Centre and the return of savings for the Maryborough Correctional Centre.
66. Increase is due to earlier than anticipated repayment of borrowings.
67. Increase represents the full repayment of borrowings.

Major variations between 2003-04 Budget and 2004-05 Estimate include:

68. Increase is mainly due to additional funding for Enterprise Bargaining, Equity Return and Depreciation, further partial commissioning of Woodford Correctional Centre, the commissioning and operations of IOMS and additional asset maintenance, partially offset by a reduction in borrowing costs due to the full repayment of borrowings in 2003-04.
69. Increase is mainly bank interest and higher than anticipated miscellaneous receipts.
70. Increase is attributed to wage increases under Enterprise Bargaining Agreements and the change in alignment between employee expenses and supplies and services.
71. Decrease is mainly due to a change in alignment between supplies and services and employee expenses, partly offset by the commissioning and operations of IOMS, further partial commissioning of Woodford Correctional Centre and increased asset maintenance funding.
72. Decrease attributed to the earlier than anticipated repayment of borrowings.
73. Increase represents the higher value of non-current assets and repayment of borrowings.
74. Lower figure for property, plant and equipment reflects the outstanding finalisation of litigation proceedings with regard to Capricornia Correctional Centre and the return of savings for the Maryborough Correctional Centre offset by an upgrade of the State's existing facilities including perimeter security systems.
75. Decrease is due to the finalisation of the development of the Integrated Offender Management System partly offset by continued development of the Integrated Justice Information Strategy.
76. Decrease reflects final repayment of loan balances in the previous financial year.
77. Decrease reflects final repayment of loan balances in the previous financial year.
78. Equity withdrawal reflects a planned return to Government from the Department's total equity.

Major variations between 2003-04 Estimated Actual and the 2004-05 Estimate include:

79. Increase is mainly due to additional funding for Enterprise Bargaining, Equity Return and Depreciation, and further partial commissioning of Woodford Correctional Centre, the commissioning and operations of IOMS, and increased asset maintenance funding.
80. Increase is mainly wage increases under Enterprise Bargaining Agreements, commissioning of new infrastructure and operation of the Integrated Offender Management System.
81. Increase is mainly due to commissioning of new infrastructure and the Integrated Offender Management System and increased asset maintenance funding.
82. Decrease is attributed to the earlier than anticipated repayment of borrowings.
83. Increase represents the higher value of non-current assets and repayment of borrowings.
84. Increased property, plant and equipment reflects the outstanding finalisation of litigation proceedings with regard to Capricornia Correctional Centre and an upgrade of the State's existing facilities including perimeter security systems.

85. Decrease is due to the finalisation of the development of the Integrated Offender Management System partly offset by continued development of the Integrated Justice Information System.
86. Decrease reflects final repayment of loan balances in the 2003-04 financial year.
87. Decrease reflects final repayment of loan balances in the 2003-04 financial year.
88. Equity withdrawal reflects a planned return to Government from the Department's total equity.

# RECONCILIATION OF 2004-05 APPROPRIATION AMOUNTS TO THE FINANCIAL STATEMENTS

## CONTROLLED

### Statement of Financial Performance

	\$'000
Output Revenue in Statement of Financial Performance <sup>1</sup>	407,957
<i>Add:</i> Appropriation Funding for Outputs Receivable <sup>a</sup>	<u>..</u>
= Appropriation for Departmental Outputs	407,957
= Output Receipts in Statement of Cash Flows <sup>2</sup>	407,957

### Statement of Financial Position

	\$'000
Closing balance Contributed Equity <sup>3</sup>	292,833
<i>Less:</i> Opening Balance Contributed Equity <sup>3</sup>	<u>303,034</u>
= Change in Contributed Equity in the Statement of Financial Position	(10,201)
<i>Add:</i> Appropriation Equity Injection Receivable <sup>b</sup>	..
<i>Less:</i> Non-appropriated Equity Adjustments <sup>4</sup>	<u>..</u>
= Appropriation for Equity Adjustment <sup>5</sup>	(10,201)
= Net Appropriated Equity Adjustment in Statement of Cash Flows	(10,201)

1. This Output Revenue amount reconciles to the Output Revenue line in the Statement of Financial Performance on page 3-28.
  2. This Output Revenue amount reconciles to the Output Receipts line in the Statement of Cash Flows on page 3-30.
  3. The Contributed Equity amounts reconcile to the Contributed Equity line in the Statement of Financial Position on page 3-29.
  4. Non-appropriated equity adjustments relate to machinery of Government changes, long service leave liabilities transferred to the whole-of-Government scheme.
  5. The Appropriation for Equity Adjustment amount reconciles to the Equity Adjustment line in the Appropriations table on page 3-5.
- a. This line item relates to operating revenue recognised in one year for which the cash is not received until the subsequent year.
  - b. This line item relates to equity recognised in one year for which the cash is not received until the subsequent year.

## Corporate Services<sup>1</sup> Allocation 2004-05 Estimate (\$'000)

	Notes	Total Corporate Services	Facility-based Containment Services	Community Supervision Services	Correctional Intervention Services
<b>Revenues from ordinary activities</b>					
Output revenue		114,274	103,537	6,565	4,172
User charges		..	..	..	..
Grants and other contributions		200	174	16	10
Other		..	..	..	..
<b>Total revenues from ordinary activities</b>		<b>114,474</b>	<b>103,711</b>	<b>6,581</b>	<b>4,182</b>
<b>Expenses from ordinary activities</b>	2				
Employee expenses		14,147	12,322	1,160	665
Supplies and services		18,879	16,444	1,548	887
Equity return expense		48,788	44,907	2,386	1,495
Depreciation and amortisation		31,054	28,639	1,355	1,060
Grants and subsidies		..	..	..	..
Other		1,606	1,399	132	75
<b>Total expenses from ordinary activities excluding borrowing costs expense</b>		<b>114,474</b>	<b>103,711</b>	<b>6,581</b>	<b>4,182</b>
Borrowing costs		..	..	..	..
<b>Total expenses</b>		<b>114,474</b>	<b>103,711</b>	<b>6,581</b>	<b>4,182</b>
<b>Full Time Equivalents</b>		<b>181</b>	<b>158</b>	<b>15</b>	<b>8</b>

**Notes:**

1. Corporate services functions include: finance and administration, procurement, human resources, payroll, staff training, information technology, records management, legal services, property acquisition and management, policy development, executive services (Office of the CEO), and Ministerial and Cabinet liaison.
2. Includes payments to PartnerOne and CorpTech for the provision of payroll, procurement and financial accounts processing.