



Queensland
Government

MINISTERIAL PORTFOLIO STATEMENT

2005-06 STATE BUDGET

**MINISTER FOR POLICE AND CORRECTIVE
SERVICES**

DEPARTMENT OF CORRECTIVE SERVICES

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

**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. Although some community safety and crime prevention activities are delivered by a single agency, the achievement of the whole-of-Government safe and secure communities outcome requires the department, other agencies and key stakeholders to work together.

Reducing the recidivism rate is a Government objective reported annually in the *Priorities in Progress* report. The recidivism rate in Queensland has been at, or higher than, 40% since 2000-01. Through partnering, recidivism rates can be reduced through access to effective and appropriate programs and post-prison support for re-integration into the community.

Partners in Criminal and Social Justice

The department works closely with the Queensland Police Service, Department of Justice and Attorney-General, Department of Emergency Services, Department of Housing, Department of Employment and Training, Queensland Health and other agencies, organisations and community groups to address criminal and social justice issues. The collaborative efforts of these partnerships are fundamental to the achievement of true integration and alignment to Government priorities across individual agencies.

The department is committed to the effective implementation of whole-of-Government strategies and initiatives such as:

- 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*)
- child safety reforms
- counter terrorism planning and response
- the Post Release Employment Assistance Program.

Partnering with Centrelink reduces the social security debt of prisoners and links prisoners with financial assistance following release.

Capital Investment

While the 1990s saw the construction of new and improved prison infrastructure, the increase in the general population, tougher penalties for sexual and violent crimes and decreased use of early release options have meant that this infrastructure has already become inadequate to accommodate sentenced prisoners in North Queensland and remand prisoners in South East Queensland.

To meet these accommodation needs, the Queensland Government will invest \$231 million over three years for planning for, and constructing, new infrastructure and redeveloping existing infrastructure.

An additional \$91 million will also be invested over four years in maintaining and operating this infrastructure.

Legislation Review

A review of the effectiveness and efficiency of the *Corrective Services Act 2000* and feedback from lengthy public consultation will inform the development of new policy and legislation. Consultation has focused on prisoner containment and community safety, offender rehabilitation and re-integration, statutory roles and responsibilities, and safety of staff, visitors and prisoners.

Managing Growth in Prisoner Numbers

A key issue for the department and criminal and social justice partners is managing growth in prisoner numbers. Queensland Government's tough on crime and the causes of crime approach has an impact on prisoner numbers. This is reflected in legislation and policy and tangibly evident in the comparative imprisonment rate. Queensland has the third highest imprisonment rate of all Australian jurisdictions.

Within current policy frameworks, prisoner numbers are expected to grow to more than 9,000 by 2014-15, compared to 5,325 in 2004-05. The previous decade showed 142% growth in prisoner numbers, compared to the anticipated growth of 90% over the next decade.

The long-term strategic issue for the Government and the department is ensuring community safety and public value through the improvement of programs and interventions to reduce recidivism rates and potentially through the diversion of lower risk offenders to non-custodial corrective services sanctions.

Integrated Offender Management

Meeting the increasing demands of prisoner population growth, while achieving Government priorities, requires efficient and effective internal business processes. Effective offender management means improving and integrating operational practices supported by shared assessment tools and reliable data. After four years of development, the Integrated Offender Management Strategy will be implemented in 2005. Integrated business processes, sophisticated offender assessment tools and a cross-functional information system will realise efficiency benefits and better outcomes for correctional services.

The Offender Risk Need Inventory – Revised (ORNI-R) is an integral component of the Integrated Offender Management initiative. This tool has two primary purposes, to assist in:

- the assessment of an individual offender's level of risk of re-offending
- determining appropriate rehabilitative interventions for the offender to undertake in order to address the issues relating to his or her offending and thus reduce the risk of re-offending.

ORNI-R was developed on best practice principles and international research. Designed specifically for use with the Queensland offender population, the assessment tool is used in both facility-based containment and community supervision operations.

Service Delivery Model

In 2004, the department reviewed its business model, recommending broad changes in service delivery processes, improvements to corporate governance arrangements and a new organisational structure. The business model review facilitates the department's response to four key policy issues:

- the balance between secure containment and the rehabilitation and progression of offenders to open custody and supervised release into the community
- the consequences of the increasingly diverse and complex offender population, now characterised by significant proportions of offenders with mental, intellectual, psychological or psychiatric disabilities or disorders, with high dependencies on medication, and with the effects of ageing
- the development of a comprehensive resource model for the entire department
- the provision of additional capacity for program delivery, access to a wider range of programs, and greater flexibility in modes of program delivery.

2005-06 HIGHLIGHTS

Infrastructure (\$21.2 million)

In 2005-06, \$21.2 million has been allocated to the department for infrastructure projects, including commencement of the replacement 150 bed women's correctional centre in Townsville, redevelopment of Sir David Longland Correctional Centre, expansion of Arthur Gorrie Correctional Centre, and planning funds for the future expansion of Lotus Glen and Townsville Correctional Centres.

This work forms part of a three-year program in which an investment of \$231 million has been allocated to infrastructure projects, so that the current and projected prisoner population can be accommodated appropriately according to risk.

Enhanced Capacity for Delivery of Sex Offender Programs (\$3.4 million)

Funding has been provided to expand rehabilitation programs for sexual offenders, including programs for child sex offenders. The funds will allow a more targeted approach to those offenders most likely to benefit from the program. Staff delivering the programs will be supported with additional training in best practice program facilitation.

Offender Rehabilitation Program Improvement (\$1.5 million)

Funding has been provided to replace or revise identified programs targeting criminogenic needs and to provide additional training for program facilitators. This will increase the delivery of programs available to offenders in both facility-based containment and community supervision operations.

Officer Safety (\$1.4 million)

Mobile duress alarm systems will be installed at Lotus Glen and Arthur Gorrie Correctional Centres at a total cost of \$1.4 million. These tracking duress alarm systems are provided to enhance and ensure the safety of officers while working in secure correctional environments.

Infrastructure maintenance (\$4.7 million)

Additional funding for the department's infrastructure has been provided to maintain Queensland's correctional centres at world class standards.

DEPARTMENTAL OUTPUTS

The department contributes to the Government priority - Protecting our children and enhancing community safety - as defined in the Government's *Charter of Social and Fiscal Responsibility*. It achieves its statutory 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, reducing the chance that they will re-offend, and delivering reparation activities to the community.

Facility-based Containment Services include:

- publicly and privately managed custodial correctional facilities and a secure hospital unit
- health and medical services
- operational support services.

Community Supervision Services include:

- State-wide delivery of supervision services
- advisory and support services for courts and community corrections boards.

Correctional Intervention Services include:

- 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 following table.

OUTPUT LINKAGES WITH GOVERNMENT OUTCOMES

Output Name	Government Outcome/ Strategic Governance
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

	2004-05 Adjusted Budget \$'000	2004-05 Est. Actual \$'000	2005-06 Estimate \$'000
CONTROLLED			
Income			
Output revenue	359,169	374,076	389,233
Own source revenue	14,603	16,665	16,461
Total income	373,772	390,741	405,694
Total expenses	373,772	390,741	405,694
Operating Surplus/ (Deficit)	..	..	..
NET ASSETS	824,126	832,295	904,817
ADMINISTERED			
Revenue			
Administered item revenue	..	..	..
Other administered revenue	742	737	778
Total revenue	742	737	778
Expenses			
Transfers of administered revenue to Government	742	737	778
Administered expenses	..	..	..
Total expenses	742	737	778
Notes:			
1. Explanations of variances are provided in the Explanation of Variances in the Financial Statements section and Output Income Statements.			
The financial statements, including the Adjusted 2004-05 Budget, reflect adjustments for the removal of the equity return, which took effect during 2004-05. Further detail of these adjustments is contained in the 'Explanation of Variances in the Financial Statements' section.			

APPROPRIATIONS

	2004-05 Budget \$'000	2005-06 Estimate \$'000
Controlled Items		
Departmental Outputs	407,957	389,233
Equity Adjustment	(10,201)	11,410
Administered Items	..	..
Vote Total	397,756	400,643
Note:		
1. A reconciliation of appropriations to the Financial Statements follows the Financial Statements.		

STAFFING¹

Output/Activity	Notes	2004-05 Est. Actual	2005-06 Estimate
OUTPUTS	2		
Facility-based Containment Services		2,139	2,140
Community Supervision Services		425	426
Correctional Intervention Services	3	513	534
Total		3,077	3,100
Notes:			
1. Full-Time Equivalents (FTEs) as at 30 June.			
2. Corporate FTEs are allocated across the outputs to which they relate.			
3. The increase is due to enhanced capacity for delivery of sex offender programs.			

2005-06 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	302,949	300,182	2	..	2,765
Community Supervision Services	42,935	42,935	..	..	..
Correctional Intervention Services	59,810	46,116	10,584	..	3,110
Total	405,694	389,233	10,586	..	5,875
Note:					
1. Explanations of variances are provided in the Financial Statements and Output Income Statements.					

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. Prisoners sentenced by the courts to imprisonment or remanded in custody, are accommodated in publicly and privately operated correctional facilities.

High security facilities, which include maximum, high and medium security centres, maintain prisoners in a secure environment away from society. Low security facilities, which include low and open security centres, assist in preparing prisoners to transition into the community. Prisoners are accommodated in facilities commensurate with his or her assessed risks and needs.

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

All facilities provide opportunities for prisoners to participate in education, employment, vocational training and programs designed to assist in addressing his or her offending behaviour. Correctional facilities also provide prisoners with access to health and medical services.

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

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

On average, 5,325 prisoners were managed and supervised per day in Queensland correctional facilities during 2004-05. This result is close to the 2004-05 estimate of 5,335 prisoners.

There have been no escapes from a high security facility since February 1998. The number of escapes from low security correctional facilities has decreased from 13 in 2003-04 to three escapes between 1 July 2004 and 17 May 2005.

The *Report on Government Services 2005* found that in 2003-04 Queensland had the lowest recurrent cost per prisoner per day for open and secure prisons combined at \$139. The Australian average was \$162. The *Report on Government Services 2005* also reported that Queensland had the lowest rate of return to prison by prisoners within two years of their release at 27.7%.

In 2004-05, a working party developed strategies to improve the efficiency and maximise the use of correctional facilities across the State, such as aligning Brisbane Women's Correctional Centre, Helana Jones Community Custody Centre and Warwick Work Camp. Aligning these correctional facilities will improve the transition of female offenders through the correctional system.

From May 2005, Work Outreach Camp (WORC) sites have been managed by correctional centres and the WORC Program headquarters decommissioned. This change in supervision allows for more efficient and safer movement of staff and inmates, while retaining the successful community support initiative. The following alignments are in place:

- Darling Downs Correctional Centre manages Mitchell, Charleville, Dirranbandi and St George WORC sites
- Capricornia Correctional Centre manages Springsure, Clermont and Blackall WORC sites
- Townsville Correctional Centre manages Boulia, Julia Creek and Winton WORC sites.

Additionally, a six-month trial of a permanent WORC site at Winton is being managed by Townsville Correctional Centre.

A review of the *Corrective Services Act 2000* was announced in June 2004. Thirteen consultation papers were publicly released between October 2004 and January 2005. The consultation phase of the review ended on 31 March 2005 and the outcomes of stakeholder consultation will inform the development of new policy and legislation. Over 120 community members, stakeholders, departmental staff, other government Departments and agencies as well as prisoners made submissions to the review. Each consultation paper was downloaded from the website approximately 26,807 times and consultation papers were distributed to 120 key stakeholders.

The department expects to take delivery of the first four of nine new Perimeter Patrol Vehicles (PPVs) in 2004-05. These new state-of-the-art armoured vehicles are part of a five-year program enhancing perimeter security at correctional facilities for the management of high-risk prisoners. The final five PPVs will be operational in 2005-06.

Woodford Correctional Centre commissioned an additional 64 cells to accommodate growth in prisoner placements.

In collaboration with the Department of Justice and Attorney-General and the Queensland Police Service, the department continued to participate in the development and implementation of the Integrated Justice Information System (IJIS). Specific initiatives in which the department was involved include:

- information exchange initiatives with the Queensland Police Service related to offenders on community based orders
- participation in the development of consistent offence codes across the Justice agencies
- participation in the ongoing governance arrangements for the IJIS program which included the implementation of the Transfer Bench Charge Sheet initiative.

To complement the introduction of the Integrated Offender Management System, the department expects to train over 200 verifiers and administrators in the use of the ORNI-R in 2004-05.

Future Developments

Infrastructure will be expanded and redeveloped in response to continued prisoner population growth. Arthur Gorrie and Sir David Longland Correctional Centres will be redeveloped, while a new 150 bed women's facility will be built at Townsville Correctional Centre.

Further development and enhancement of strategies and action plans for the effective management of specific need offenders, including those with mental or intellectual disability, the aged and those with a high dependency on medication, continues.

A health and wellbeing strategy will focus on improving general prisoner health and wellbeing and incorporate an investigation of expanding mental health services in consultation with Queensland Health.

The department will develop business and offender management processes to support the establishment of the Offender Progression Review Committee. The committee's primary functions include remission recommendations for prisoners serving 10 years or more, and the granting of open classification or transfer to open custody and resettlement leave of absence of a prisoner serving 10 years and over.

Combinations of high and low security facilities and WORC camps will be jointly managed and administered to realise improvements in the progression of offenders through the system and the appropriateness and efficiency of their placement.

The business processes and supporting information system of the Integrated Offender Management Strategy will become operational in 2005, enabling the delivery of a uniform and more effective way of managing offenders and their progression through the corrections system.

An external services provider unit will be established to manage and coordinate the provision of services from external organisations, including chaplaincy services, transport assistance for visitors, and other non-core services, which are directly or indirectly funded by the department.

Consolidation of feedback from lengthy public consultation on the review of the *Corrective Services Act 2000*, will inform the development of a Bill for a new Corrective Services Act. It is intended to introduce the Bill into Parliament in 2005-06.

OUTPUT STATEMENT

Output: Facility-based Containment Services				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Quantity	1			
Number of male prisoners				
High Security Facilities	2	New Measure	New Measure	4,320
Low Security Facilities	3	New Measure	New Measure	850
Secure Custody	4	4,210	4,145	Discontinued
Open Custody	4	530	580	Discontinued
Community Custody	4	250	245	Discontinued
Number of female prisoners				
High Security Facilities		New Measure	New Measure	300
Low Security Facilities		New Measure	New Measure	75
Secure Custody		280	280	Discontinued
Open Custody		40	45	Discontinued
Community Custody		25	30	Discontinued
Quality				
Escape rate	5			
High Security Facilities		New Measure	New Measure	0
Low Security Facilities		New Measure	New Measure	0
Secure Custody		0	0	Discontinued
Open Custody		0	0.32	Discontinued
Community Custody		0	0.36	Discontinued
Abscond rate	6			
Low Security Facilities		New Measure	New Measure	<1.2
Open Custody		0	0	Discontinued
Community Custody		<3.3	4.36	Discontinued
Assault rate – Major (prisoner on staff)	7			
High Security Facilities		New Measure	New Measure	0
Low Security Facilities		New Measure	New Measure	0
Assault rate – Minor (prisoner on staff)				
High Security Facilities		New Measure	New Measure	<1.2
Low Security Facilities		New Measure	New Measure	0
Assault rate – Major (prisoner on prisoner)				
High Security Facilities		New Measure	New Measure	<0.9
Low Security Facilities		New Measure	New Measure	0
Assault rate – Minor (prisoner on prisoner)				
High Security Facilities		New Measure	New Measure	<6.6
Low Security Facilities		New Measure	New Measure	<1.8
Assault rate (prisoner on staff)				
Secure Custody		<1.2	1.11	Discontinued
Open Custody		0	0	Discontinued
Assault rate (prisoner on prisoner)				
Secure Custody		<7.5	8.48	Discontinued
Open Custody		<2.2	2.72	Discontinued

Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Death rate (unnatural causes only)	8			
High Security Facilities		New Measure	New Measure	0
Low Security Facilities		New Measure	New Measure	0
Secure Custody		0	0.05	Discontinued
Open Custody		0	0	Discontinued
Timeliness				
Completion of immediate risk needs on day of admission	9	100%	97%	100%
Completion of sentence management review within 6 months	10	100%	86%	100%
Cost (\$)				
Cost of containment per prisoner per day	11	\$144.19	\$150.47	\$148.22
State Contribution (\$'000)		280,970	292,652	300,182
Other Revenue (\$'000)		2,626	2,698	2,767
Total Cost (\$'000)		283,596	295,350	302,949
Notes:				
<ol style="list-style-type: none"> 1. Average number of prisoners held for the year by facility type (referred to as the annual average daily state). 2. High Security Facilities are defined as a custodial facility where the regime for managing prisoners requires them to be confined by a secure perimeter physical barrier, regardless of the individual classifications of the prisoners held within the facility. 3. Low Security Facilities are defined as a custodial facility where the regime for managing prisoners does not require them to be confined by a secure perimeter irrespective of whether a physical barrier exists and regardless of the individual classifications of the prisoners held within the facility. 4. Facilities were previously described under the categories of Secure Custody, Open Custody and Community Custody. The department has established a new business process which administers open and community custody operations on a regional basis. Under this new business process, open and community custody operations are referred to as low security. Secure custody operations are referred to as high security. 5. Number of escapes divided by the annual average daily state for each facility type multiplied by 100. 6. Number of absconds divided by the annual average daily state for each facility type multiplied by 100. 7. Commencing 2005-06 assaults will be disaggregated into the categories of major and minor. The rate is calculated as the number of victims of assault divided by the annual average daily state for each facility type multiplied by 100. 8. Number of unnatural deaths divided by the annual average daily state for each facility type multiplied by 100. 9. Number of risk needs assessments completed on day of admission divided by the number of offenders admitted multiplied by 100. 10. 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. 96% of sentence management reviews were completed within seven months. 11. Calculated by dividing the State contribution by the annual average daily state divided by 365.25. The target/estimate for 2004-05 differs from that published in the 2004-05 Ministerial Portfolio Statement due to the adjustment for the removal of the equity return. 				

Output Income Statement – Facility-based Containment Services

	Notes	2004-05 Adjusted Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
Output revenue	1,4	280,970	292,652	300,182
User charges		..	..	2
Grants and other contributions		..	..	..
Other Revenue		2,626	2,698	2,765
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		283,596	295,350	302,949
Expenses				
Employee expenses	2,5	147,632	150,197	152,276
Supplies and services	6	98,329	98,289	103,547
Grants and subsidies		673	673	673
Depreciation and amortisation	3,7	28,645	37,876	38,138
Finance/borrowing costs		2	..	..
Other expenses		8,315	8,315	8,315
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		283,596	295,350	302,949
OPERATING SURPLUS/ (DEFICIT)		..	..	..

Notes:

Major Variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

1. Increase is mainly due to additional funding for depreciation expense, high priority building maintenance and the implementation of the Integrated Offender Management System, partly offset by deferral of commissioning of infrastructure.
2. Increase is attributed to the training of additional recruits, the review of the *Corrective Services Act 2000* and the implementation of the Integrated Offender Management System.
3. Additional depreciation expense mainly reflects the componentisation of departmental assets as required under Accounting Policy Guideline (APG) 17.

Major Variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

4. Increase is mainly due to additional funding for Enterprise Bargaining, depreciation expense, additional maintenance and further commissioning of facilities at Maryborough Correctional Centre.
5. Increase is mainly due to additional funding for Enterprise Bargaining and provisions for commissioning of facilities.
6. Increase is mainly due to additional maintenance of departmental infrastructure and provisions for commissioning of facilities.
7. Additional depreciation expense mainly reflects the componentisation of departmental assets as required under APG 17.

The financial statements, including the Adjusted 2004-05 Budget, reflect adjustments for the removal of the equity return, which took effect during 2004-05. Further detail of these adjustments is contained in the 'Explanation of Variances in the Financial Statements' section.

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 32 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 2004-05, the department supervised approximately 12,800 offenders on post-prison community based orders or on court orders, a figure similar to that reported in 2003-04.

The Report on Government Services 2005 reported that Queensland had the lowest rate of returns of offenders to corrective services at 18% for all Australian jurisdictions.

Palm Island Area Office was redefined as a reporting centre following an investigation into strategies to provide appropriate levels of resources and services to remote and isolated communities in North Queensland. The proposed restructure to pair small remote communities with larger offices is being trialled with Palm Island and Townsville. Palm Island reporting centre will provide case management and community engagement services.

Drug Courts work to break the link between drug use and criminal behaviour by diverting eligible drug addicted offenders from custodial sentences to undertake intensive drug rehabilitation in the community. This whole-of-Government initiative involves a number of government agencies including the Department of Justice and Attorney-General, Queensland Police Service, Queensland Health, Legal Aid Queensland, Department of Housing, Department of Communities and the Department of Corrective Services. The Drug Court pilot commenced in June 2000 in South East Queensland and November 2002 in Northern Queensland.

As at 30 April 2005, 439 drug rehabilitation orders have been made in the South East Queensland Drug Court and 110 persons have graduated. In the North Queensland trial, there have been 77 intensive drug rehabilitation orders made in Townsville with 17 graduates, and 58 in Cairns with 14 graduates. Currently 144 offenders are participating in the program.

The trial for network sharing with the Department of Justice and Attorney-General's wide area network continued in 2004-05. The trial sought to improve court advisory services and access by community correctional officers to departmental information. Following a successful trial, the department and the Department of Justice and Attorney-General agreed to expand connectivity to more regional reporting centres.

A senior officer from the department was seconded to the Cape York Strategy Unit for 12 months commencing in May 2004 to support the delivery of government services to the Cape and Gulf communities in North Queensland. A key role of this officer is facilitation of Negotiation Tables between Indigenous communities.

Videoconferencing technology supporting the community corrections boards expanded from South East Queensland to now include prisoner appearances from Maryborough and Capricornia Correctional Centres before the Central Queensland Regional Community Corrections Board.

Multi-agency case management approaches aiming to reduce the risk of re-offending particularly for high risk offenders are being trialled throughout the State. Mackay Area Office is working collaboratively with Disability Services, Mental Health and the Adult Guardian, and Brisbane North and Pine Rivers area offices are working co-operatively with the Prince Charles Mental Health Unit. Furthermore a Crime Reduction Assessment Project is being established at Mount Isa.

The department, in collaboration with the Queensland Police Service, developed and implemented a process to electronically transfer offender information between the two departments. The process significantly enhances the management of offenders subject to a community supervision order. Timely advice in respect to re-offending allows the department to respond immediately to any increase in community risk. Action taken can include a return to custody for offenders subject to a post-prison community based release order, increasing surveillance and intervention activities in the community or returning the offender to court for prosecution.

The upgrade of the Maroochydore Area Office and the Southport office relocation are complete. Negotiations for the lease of purpose designed buildings in Emerald, Beenleigh, Pine Rivers and Mackay continue.

A total of 332 offenders on post-prison community based orders provided DNA samples under the provisions of the *Police Powers and Responsibilities Act 2000*. The sampling is performed by the Queensland Police Service in a joint operation with the department.

A survey of the gambling habits of offenders was conducted to inform rehabilitation and intervention needs of offenders on community based orders in Queensland. This problem gambling survey found that 9.4% of the sample experience problem gambling and a further 12.3% of the sample experience moderate risk gambling behaviour. The combined problem gambling and moderate risk groups comprise 21.7% of the sample and represent 2,598 people currently within the community corrections system who potentially have serious gambling problems and who may benefit from therapeutic intervention.

Future Developments

The business processes and supporting information system of the Integrated Offender Management Strategy will become operational in 2005, complementing the use of ORNI-R in community correctional services.

Deployment of a departmental representative to the Cape York Strategy Unit will continue to June 2006, demonstrating the department's ongoing commitment to the delivery of government services to remote Queensland communities.

The department will be involved in ongoing partnership activities with the Department of Justice and Attorney-General, including the continued Drug Court trial in South East and North Queensland to December 2006 and exploring the possibility of shared communication networks.

OUTPUT STATEMENT

Output: Community Supervision Services				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Quantity				
Number of offenders	1			
Supervision orders	2			
- males		7,400	7,520	7,750
- females		1,820	1,875	1,950
Restricted movement orders	3			
- males		60	67	65
- females		7	6	5
Reparation orders	4			
- males		2,730	2,560	2,370
- females		820	810	790
Number of courts to which advisory services delivered		111	111	111
Quality				
Percentage of offenders successfully completing orders	5			
Supervision Orders		>67%	69%	>69%
Restricted Movement Orders		>87%	88%	>88%
Reparation Orders		>73%	71%	>73%
Percentage of offenders breached by reconviction	6,7			
Supervision Orders (excl parole)		<8%	8.5%	<8%
Restricted Movement Orders		<2%	0.8%	<1%
Percentage of offenders breached for other conditions	6,7			
Supervision Orders (excl parole)		>14%	12%	>14%
Restricted Movement Orders		>7%	4%	>7%
Reparation Orders		>23%	17%	>23%
Location				
Number of Area Offices	8	33	32	32
Number of Reporting Centres		102	103	103
Cost (\$)				
Cost of supervision per offender per day	9	\$8.22	\$8.55	\$9.09
State Contribution (\$'000)		38,560	40,113	42,935
Other Revenue (\$'000)		..	..	..
Total Cost (\$'000)		38,560	40,113	42,935

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.
2. Supervision Orders include: Probation Orders, Prison/Probation Orders, Parole Orders, Intensive Correction Orders and 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.
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. Palm Island Area Office was redefined as a reporting centre.
9. Calculated by dividing the State contribution by the estimated average number of offenders over the financial year divided by 365.25. The target/estimate for 2004-05 differs from that published in the 2004-05 Ministerial Portfolio Statement due to the adjustment for the removal of the equity return.

Output Income Statement – Community Supervision Services

	Notes	2004-05 Adjusted Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
Output revenue	1,4	38,560	40,113	42,935
User charges		..	..	..
Grants and other contributions		..	..	..
Other Revenue		..	..	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		38,560	40,113	42,935
Expenses				
Employee expenses	2,5	28,217	28,739	30,270
Supplies and services	6	7,190	7,374	8,417
Grants and subsidies		34	34	34
Depreciation and amortisation	3,7	1,351	2,198	2,347
Finance/borrowing costs		..	..	..
Other expenses		1,768	1,768	1,867
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		38,560	40,113	42,935
OPERATING SURPLUS/ (DEFICIT)		..	..	..

Notes:

Major Variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

1. Increase is mainly due to additional funding for depreciation expense and the implementation of the Integrated Offender Management System.
2. Increase is attributed to the review of the *Corrective Services Act 2000* and the implementation of the Integrated Offender Management System.
3. Additional depreciation expense mainly reflects the componentisation of departmental assets as required under Accounting Policy Guideline (APG) 17.

Major Variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

4. Increase is mainly due to additional funding for Enterprise Bargaining, additional maintenance and depreciation expense.
5. Increase is mainly due to additional funding for Enterprise Bargaining.
6. Increase is mainly due to funding for additional maintenance.
7. Additional depreciation expense mainly reflects the componentisation of departmental assets as required under APG 17.

The financial statements, including the Adjusted 2004-05 Budget, reflect adjustments for the removal of the equity return, which took effect during 2004-05. Further detail of these adjustments is contained in the 'Explanation of Variances in the Financial Statements' section.

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 his or her risk levels and criminogenic needs, and are targeted for therapeutic programs and other interventions to address factors associated with his or her offending behaviour. They are provided with opportunities to participate in education, work, vocational education and training and programs to address his or 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

The department seeks to ensure that prisoners and offenders participate in meaningful and valuable community service activities. Local community projects undertaken in 2004-05 include:

- removing noxious weeds from, and planting native trees and shrubs on the Maroochy Beach dunes
- cleaning, grading and packaging used spectacles for shipment to developing countries
- maintaining the Mary Valley Heritage Railway track
- assisting animal refuges in the cleaning of enclosures, and exercising and feeding of animals
- maintaining buildings that provide supported accommodation for disabled and disadvantaged people
- gardening, maintenance and restoration work for local parks, hostels, community centres, historical societies, recreation clubs.

Offenders both in custody and in the community undertaking community reparation performed community service work in over 1,000 work sites in 2004-05.

The total number of community service work hours performed by offenders on community based orders in 2004-05 is approximately 492,000 hours. For this same period the average number of hours worked per offender was over 11 per month.

Male and female offenders on the community custody program in South East Queensland, Warwick, Western and Central Queensland worked an estimated 48,600 hours during 2004-05.

To support the whole-of-Government commitment to the safety of children, the department's child protection responsibilities are coordinated by a child safety director. In 2004-05 the director led a state-wide training program for correctional staff in recognising harm, maltreatment and abuse of children. A Memorandum of Understanding with the Queensland Police Service has enabled the development of a child protection offender register for Queensland. The department is monitoring the reportable offenders under the department's jurisdiction through the register.

In July 2004, the department and the Department of Justice and Attorney-General signed a Partnership Charter, committing to sharing resources and developing joint policy initiatives to enhance community safety and strengthen services to the community. Initial strategic priorities under the Charter include the reviews of the *Corrective Services Act 2000* and the *State Penalties and Enforcement Act 1999* and the development of a multi-agency strategy to reduce prisoner numbers.

Through Partnerships Queensland and the CEO Sub-Committee on the Justice Agreement, the department is working with other agencies to develop new initiatives for reducing over-representation of Indigenous offenders in the criminal justice system.

Following the success of the Post Release Employment Assistance Program in South East Queensland and Townsville in 2003-04, which registered 1,800 participants and gained employment for 499 prisoners, the program was extended to Lotus Glen, Capricornia and Maryborough Correctional Centres. The contract for the delivery of employment assistance services to prisoners at these three latter centres commenced on 1 October 2004. From 1 July 2004 to 31 March 2005, 1,214 new participants registered in the state-wide program, 245 participants gained employment and 180 participants remained in continuous employment for 13 or more weeks.

As at 31 March 2005, the total vocational and education training hours delivered were 121,049 hours and literacy/numeracy hours delivered were 155,000 hours.

The department is reviewing the impact of the integration of prison industries and vocational education and training, which is being trialled at Maryborough, Capricornia and Woodford Correctional Centres.

External evaluations of the Community Corrections Sex Offender Program, the Sex Offender Intervention Program and the Substance Abuse: Preventing and Managing Relapse Program were completed.

Following the evaluations of the intervention programs by external specialists there has been significant progress in upgrading or procuring programs to reflect current evidence-based research in reducing recidivism. The research indicates that program effectiveness is linked to targeted and coordinated intervention services and that the objectives and intensity of the programs need to match the offender's criminogenic needs and the risk of recidivism. This research has been reflected in the new program service delivery and management model being trialled through the Enhanced Capacity for Delivery of Sex Offender Programs in Custody Project. The implementation of ORNI-R is providing effective offender assessments for the provision of targeted programs and services.

The Transitions Program was delivered to prisoners preparing for release to the community, having served his or her sentence. State-wide implementation of the program ensured that all prisoners received a standardised level of accurate information about potential post release problems, and facilitated linkages with appropriate community agencies. Participating prisoners also have the opportunity to update their relapse prevention plans and obtain information regarding community agency support to assist them maintain drug free lifestyles following their release from custody.

The department worked closely with the Department of Housing during 2004-05 to develop and implement a post-prison housing and accommodation module for the pre-release Transitions Program. The Department of Housing delivers the module in correctional facilities. This collaboration has formed the basis of a strengthened inter-departmental relationship which will be formalised through a Memorandum of Understanding.

The Serious Sexual Offenders Review Committee considers the referral of prisoners in custody to the Attorney-General for applications under the *Dangerous Prisoners (Sexual Offenders) Act 2003*. Since the Committee's inception in August 2003, it has considered 220 cases, making 18 referrals to the Attorney-General for an order under the Act.

Future Developments

The Department of Justice and Attorney-General and Department of Corrective Services Partnership will continue in 2005-06 and will further develop its strategic agenda and address emerging business issues.

A policy framework for attracting and approving prison industries and a model to support the role of prison industries in rehabilitation and reparation will be developed. The model will also provide opportunities for prisoners to gain practical work skills linked to formally accredited vocational training.

Program improvement strategies will be directed towards program delivery performance, greater program flexibility at regional levels, and program efficacy in reducing recidivism by targeting appropriate offenders. The department's performance reporting mechanisms and measures for offender programs will be reviewed, and a comprehensive evaluation methodology for offender programs will be developed.

Over the next two years, sex offender programs will be delivered to an additional 300 sex offenders through funding for the expansion of rehabilitation for sex offenders.

The department will initiate a formal study to further research and build upon existing data assessing the ability of ORNI-R to predict the risk of re-offending.

The Memorandum of Understanding between the department and Department of Housing will be finalised and implemented in 2005-06. The agreement will facilitate an integrated approach to the prevention of post release homelessness and improve relationships with public housing organisations. The department will investigate options for access to supported accommodation for prisoners on post release orders and will support implementation of the whole-of-Government homeless action plan.

An illicit drug strategy and implementation plan will be developed to promote the department's ability to detect, prevent, manage and intercept illicit drugs in correctional centres and for offenders under community supervision.

A departmental multicultural action plan in alignment with the Multicultural Policy 2004 will be developed. A reference group and consultation process will highlight good practice, share learnings and identify issues requiring further attention. The plan is expected to address issues including access to foreign language publications and media, interpreting and translation, diet, religious diversity, cultural celebrations and bilingual staff.

Through Partnerships Queensland and the Chief Executive Officer Sub-Committee on the Justice Agreement, the department will support strategies aimed at reducing over-representation of Indigenous offenders in the criminal justice system. Strategies under consideration include strengthening community corrections in Cape communities by employing local people to provide supervision, court advisory services and program delivery and improving advice to courts to divert low risk offenders from custody.

OUTPUT STATEMENT

Output: Correctional Intervention Services				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Quantity				
Financial value of Community Service work performed (court ordered)	1	\$8.0 million	\$7.4 million	\$7.4 million
Financial value of work performed in regional Queensland by prisoners from Low Security Facilities	2	\$1.0 million	\$0.73 million	\$1.0 million
Annual hours curriculum (AHC) Vocational Education and Training Literacy/Numeracy	3	150,000 AHC 120,000 AHC	170,000 AHC 195,000 AHC	168,000 AHC 180,000 AHC
Quality				
Hours of community service performed per offender per month		>12	11.21	>12
Participation rate in offender programs High Security Facilities Low Security Facilities	4	New Measure New Measure	New Measure New Measure	>0.50 >0.30
Secure Custody		>0.74	0.50	Discontinued
Open Custody		>0.41	0.29	Discontinued
Community Custody		>0.65	0.26	Discontinued
Commercial Industry participation rate High Security Facilities Low Security Facilities	5	New Measure New Measure	New Measure New Measure	>0.35 >0.40
Secure Custody		>0.35	0.34	Discontinued
Open Custody		>0.40	0.37	Discontinued
Percentage of successful completions in Vocational Education and Training		70%	81%	70%
Location				
Number of community service project sites	6	1,200	1,050	1,200
Cost (\$)				
Correctional Intervention Services as a proportion of budget	7	11.0%	11.0%	11.8%
State Contribution (\$'000)		39,639	41,311	46,116
Other Revenue (\$'000)		11,977	13,967	13,694
Total Cost (\$'000)		51,616	55,278	59,810

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. The decline in the value of community service can be attributed to a reduction in the number of offenders on reparation orders.
2. Low Security Facilities are defined as a custodial facility where the regime for managing prisoners does not require them to be confined by a secure perimeter irrespective of whether a physical barrier exists and regardless of the individual classifications of the prisoners held within the facility. Facilities were previously described under the categories of Secure Custody, Open Custody and Community Custody. The department has established a new business process which administers open and community custody operations on a regional basis. Under this new business process, open and community custody operations are referred to as low security.
3. Annual Hours Curriculum (AHC) is calculated by multiplying the number of participants by the competency/module hours.
4. Calculated by using the number of program participants divided by the annual average daily state. The participation rate has been affected by a more targeted approach to the delivery of programs based on risk and need. The offender programs included in this measure are Anger Management, Cognitive Skills and Substance Abuse: Preventing and Managing Relapse.
5. The monthly average number of prisoners in commercial industries divided by the annual average daily state for each facility type (excluding the average number of prisoners in full-time education, illness and those unable to participate).
6. A count of those community service project sites which were active during the year.
7. Calculated by dividing the State contribution by the total output revenue for the department multiplied by 100. The target/estimate for 2004-05 differs from that published in the 2004-05 Ministerial Portfolio Statement due to the adjustment for the removal of the equity return.

Output Income Statement – Correctional Intervention Services

	Notes	2004-05 Adjusted Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
Output revenue	1,5	39,639	41,311	46,116
User charges		10,327	10,327	10,584
Grants and other contributions	2,6	1,650	3,640	3,110
Other Revenue		..	..	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		51,616	55,278	59,810
Expenses				
Employee expenses	3,7	33,037	33,783	36,867
Supplies and services	4,8	17,306	19,637	21,093
Grants and subsidies		..	..	..
Depreciation and amortisation		1,058	1,539	1,591
Finance/borrowing costs		..	..	..
Other expenses		215	319	259
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		51,616	55,278	59,810
OPERATING SURPLUS/ (DEFICIT)		..	..	..

Notes:

Major Variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

1. Increase is mainly due to child safety support, enhanced capacity for the delivery of sex offender programs, offender rehabilitation program evaluation and program improvement and the implementation of the Integrated Offender Management System.
2. Increase is predominately the continuation of the Post Release Employment Assistance Program.
3. Increase is attributed to additional funding for child safety support, offender rehabilitation program evaluation and program improvement, enhanced capacity for the delivery of sex offender programs and the implementation of the Integrated Offender Management System.
4. Increase is mainly due to additional funding for offender rehabilitation program evaluation and program improvement, enhanced capacity for the delivery of sex offender programs and the implementation of the Integrated Offender Management System.

Major Variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

5. Increase is mainly due to Enterprise Bargaining, child safety support, enhanced capacity for the delivery of sex offender programs, offender rehabilitation program evaluation and program improvement and the implementation of the Integrated Offender Management System.
6. Increase is predominately the continuation of the Post Release Employment Assistance Program.
7. Increase is mainly due to additional funding for Enterprise Bargaining, enhanced capacity for the delivery of sex offender programs, offender rehabilitation program evaluation and program improvement, and child safety support.
8. Increase is mainly due to additional funding for maintenance, enhanced capacity for the delivery of sex offender programs and offender rehabilitation program evaluation and program improvement.

The financial statements, including the Adjusted 2004-05 Budget, reflect adjustments for the removal of the equity return, which took effect during 2004-05. Further detail of these adjustments is contained in the 'Explanation of Variances in the Financial Statements' section.

CAPITAL ACQUISITIONS

The department has received significant capital funding for the expansion of two correctional centres in South East Queensland, the provision of a new female correctional centre in Townsville and planning funds to enable Lotus Glen Correctional Centre and the male Townsville Correctional Centre to be documented for expansion. In the first year, \$21.2 million has been allocated out of this total investment of \$231 million over three years for the planning and construction of new infrastructure, and the redevelopment of existing infrastructure.

In North Queensland, \$101 million has been provided over three years to construct a new 150 bed female correctional centre on the existing Townsville Correctional Centre site. This new facility will enable women currently housed within the precinct of the male centre to be relocated to a stand-alone female facility.

The Sir David Longland Correctional Centre will be redeveloped to provide a reception function in the South East Queensland area at a total cost of \$76 million and due to the further increasing numbers of remand prisoners, the Arthur Gorrie Correctional Centre will become a remand only facility and be expanded by an additional 180 cells at a total cost of \$49.6 million.

Funds are provided for 2005-06 to enable preliminary planning for expansions and new infrastructure at Lotus Glen Correctional Centre (\$1.5 million) and Townsville Correctional Centre (\$3.2 million).

In 2004-05, the Government allocated \$30 million over five years to enable the department to rejuvenate and update security systems across the State. Perimeter security upgrades will continue this financial year.

Mobile duress alarm systems will be installed at Lotus Glen Correctional Centre and Arthur Gorrie Correctional Centre at a total cost of \$1.4 million. These tracking duress alarm systems are provided to enhance and ensure the safety of officers while working in the correctional environment.

In 2005-06, \$8.6 million has been allocated for the procurement of minor works, plant and equipment.

Additional projects funded during 2004-05, to be completed in 2005-06 include:

- additional security to the Townsville Correctional Centre gate house building (\$0.30 million)
- replacement of cell locks and the intercom system at Arthur Gorrie Correctional Centre (\$0.78 million)
- installation of laundry handling and security equipment (\$0.76 million).

The lightning protection program continues in 2005-06 with \$3.3 million allocated to address lightning related issues in secure correctional centres.

Carry over funding will finalise the following projects:

- \$2.6 million allocated to the Capricornia Correctional Centre program of works will be utilised for the finalisation of contracts and the demolition of the old Rockhampton Correctional Centre
- \$0.88 million for officer stations at Woodford Correctional Centre
- \$0.56 million for the IJIS upgrade program.

CAPITAL ACQUISITION STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
<u>PROPERTY PLANT AND EQUIPMENT</u>				
Property Plant and Equipment				
Capricornia Correctional Centre (CC)	1	3,861	1,133	2,600
Maryborough CC	2	..	740	..
Upgrade Perimeter Security Systems	3	6,000	150	11,850
Intercom Upgrade at Borallon CC	3	700	670	..
Officer Stations at Woodford CC	3	1,500	620	880
Correctional Centre Lightning Protection	3	1,800	300	3,300
Additional Security to the Townsville CC		..	1,200	300
Replacement of Cell Locks and Intercom System at Arthur Gorrie CC	3	..	1,220	780
Scanning and Handling Equipment at Secure Correctional Centre Laundries	3	..	437	763
Mobile Duress Alarms at Lotus Glen CC and Arthur Gorrie CC	3	..	..	1,400
Women's CC at Townsville	3	..	..	3,500
Redevelopment of Sir David Longland CC	3	..	..	10,000
Expansion of Arthur Gorrie CC	3	..	..	3,000
Expansion of Lotus Glen CC (Planning)	3	..	..	1,500
Expansion of Townsville CC (Planning)	3	..	..	3,200
Other acquisitions of property, plant and equipment		5,317	5,919	8,557
TOTAL PROPERTY PLANT AND EQUIPMENT		19,178	12,389	51,630
<u>OTHER CAPITAL ACQUISITIONS</u>				
Other Capital Acquisitions				
Integrated Offender Management System	4	..	2,559	..
Integrated Justice Information System	5	559	..	559
Other Items		..	..	..
TOTAL OTHER CAPITAL ACQUISITIONS		559	2,559	559
TOTAL CAPITAL ACQUISITIONS		19,737	14,948	52,189
<u>FUNDING SOURCES OF ACQUISITIONS</u>				
Equity Adjustment	6	(10,201)	(25,973)	11,410
Funding for depreciation and amortisation	7	31,054	41,613	42,076
Borrowings		..	..	..
Proceeds of asset sales		..	..	..
Other		(1,116)	(692)	(1,297)
TOTAL FUNDING SOURCES		19,737	14,948	52,189

Notes:

1. Practical completion was achieved in 2001-02. The deferral of funding to 2005-06 reflects the finalisation of payments on the project.
2. Practical completion was achieved in 2002-03. Final payments are expected to be made in 2004-05.
3. Program of replacement, expansion or upgrade of the existing facilities.
4. Final payments are expected to be made in 2004-05.
5. Funding for the departmental component of this whole-of-Government project is deferred to 2005-06.
6. The movement from equity withdrawal to equity injection reflects the larger capital program for 2005-06.
7. The additional depreciation expense available for funding the capital program mainly reflects the componentisation of departmental assets as required under Accounting Policy Guideline 17.

**DEPARTMENTAL
FINANCIAL
STATEMENTS**

INCOME STATEMENT

	Notes	2004-05 Adjusted Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
Output revenue	1,6,11	359,169	374,076	389,233
User charges		10,327	10,327	10,586
Grants and other contributions	2,7	1,650	3,640	3,110
Other revenue		2,626	2,698	2,765
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		373,772	390,741	405,694
Expenses				
Employee expenses	3,8,12	208,886	212,719	219,413
Supplies and services	4,9,13	122,825	125,300	133,057
Grants and subsidies		707	707	707
Depreciation and amortisation	5,10	31,054	41,613	42,076
Finance/borrowing costs		2	..	..
Other expenses		10,298	10,402	10,441
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		373,772	390,741	405,694
OPERATING SURPLUS / (DEFICIT)		..	..	..

STATEMENT OF CHANGES IN EQUITY

	Notes	2004-05 Adjusted Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Net effect of the adoption of a new accounting standard		..	(2,881)	1,461
Increase/ (decrease) in asset revaluation reserve	14,16,18	32,191	49,367	59,651
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		32,191	46,486	61,112
Surplus/ (deficit) for the period		..	..	..
Total recognised income and expense for the period		32,191	46,486	61,112
Equity injection/ (withdrawal)	15,17,19	(10,201)	(25,973)	11,410
Equity adjustments (MoG Transfers)		..	19	..
Total movement in equity for period		21,990	20,532	72,522

BALANCE SHEET

	Notes	2004-05 Adjusted Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CURRENT ASSETS				
Cash assets	20,29,39	39,229	28,709	30,005
Receivables	21,30	5,079	6,939	6,939
Other financial assets		..	..	..
Inventories	31,40	1,941	2,293	4,289
Other		1,122	940	940
Non-financial assets held for sale		..	..	..
Total current assets		47,371	38,881	42,173
NON-CURRENT ASSETS				
Receivables		577	433	433
Other financial assets		184	200	200
Inventories		666	700	700
Property, plant and equipment	22,32,41	804,476	808,492	878,946
Intangibles	23,33,42	5,984	11,584	10,136
Other		..	..	..
Total non-current assets		811,887	821,409	890,415
TOTAL ASSETS		859,258	860,290	932,588
CURRENT LIABILITIES				
Payables	24,34	17,893	9,104	8,585
Interest-bearing liabilities and derivatives		..	..	..
Accrued employee benefits	25,35,43	12,835	13,772	14,291
Provisions		..	..	..
Other		1,517	2,106	2,106
Total current liabilities		32,245	24,982	24,982
NON-CURRENT LIABILITIES				
Payables		1	1	..
Interest-bearing liabilities and derivatives		..	..	..
Accrued employee benefits		2,886	3,012	2,789
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		2,887	3,013	2,789
TOTAL LIABILITIES		35,132	27,995	27,771
NET ASSETS (LIABILITIES)		824,126	832,295	904,817
EQUITY				
Capital/Contributed equity	26,36,44	292,833	272,465	283,875
Retained surplus/ (Accumulated deficit)	27,37,45	369,144	359,848	361,309
Reserves:				
- Asset revaluation reserve	28,38,46	162,149	199,982	259,633
- Other (specify)		..	..	..
TOTAL EQUITY		824,126	832,295	904,817

CASH FLOW STATEMENT

	Notes	2004-05 Adjusted Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts	47,56,64	359,169	372,537	389,233
User charges		30,311	30,311	30,570
Grants and other contributions		1,175	3,110	3,110
Other		23,301	23,373	23,440
Outflows:				
Employee costs	48,57,65	(208,886)	(212,719)	(219,413)
Supplies and services	49,58,66	(143,500)	(145,975)	(153,732)
Grants and subsidies		(707)	(707)	(707)
Borrowing costs		(1)	1	(1)
Other		(30,282)	(30,386)	(30,425)
Net cash provided by/ (used in) operating activities		30,580	39,545	42,075
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment	50,59,67	(19,178)	(12,389)	(51,630)
Payments for intangibles	51,68	(559)	(2,559)	(559)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/ (used in) investing activities		(19,737)	(14,948)	(52,189)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	52,60,69	..	(4,789)	37,672
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	53,61,70	(10,201)	(21,184)	(26,262)
Net cash provided by/ (used in) financing activities		(10,201)	(25,973)	11,410
Net Increase/ (decrease) in cash held		642	(1,376)	1,296
Cash at the beginning of financial year	54,62,71	38,587	30,102	28,709
Cash transfers from restructure		..	(17)	..
Cash at the end of financial year	55,63,72	39,229	28,709	30,005

INCOME STATEMENT

EXPENSES AND REVENUES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Revenues				
Commonwealth grants	
Taxes, fees and fines		1	1	1
Royalties, property income and other territorial revenue	
Interest	
Administered item revenue	
Other		741	736	777
Total revenues		742	737	778
Expenses				
Supplies and services	
Depreciation and amortisation	
Grants and subsidies	
Benefit payments	
Borrowing costs	
Other	
Total expenses	
Net surplus or deficit before transfers to Government		742	737	778
Transfers of Administered Revenue to Government		742	737	778
OPERATING SURPLUS/ (DEFICIT)	

BALANCE SHEET

ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CURRENT ASSETS				
Cash assets	
Receivables		29	62	62
Inventories	
Other	
Non-financial assets held for sale	
Total current assets		29	62	62
NON-CURRENT ASSETS				
Receivables	
Other financial assets	
Inventories	
Property, plant and equipment	
Intangibles	
Other	
Total non-current assets	
TOTAL ADMINISTERED ASSETS		29	62	62
CURRENT LIABILITIES				
Payables	
Transfers to Government payable		29	62	62
Interest-bearing liabilities	
Other	
Total current liabilities		29	62	62
NON-CURRENT LIABILITIES				
Payables	
Interest-bearing liabilities	
Other	
Total non-current liabilities	
TOTAL ADMINISTERED LIABILITIES		29	62	62
ADMINISTERED NET ASSETS/ (LIABILITIES)	
EQUITY				
Capital/Contributed equity	
Retained surplus/(Accumulated deficit)	
Reserves:				
- Asset revaluation reserve	
- Other (specify)	
TOTAL ADMINISTERED EQUITY	

CASH FLOW STATEMENT

CASH FLOWS ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	
Grants and other contributions	
Taxes, fees and fines		1	1	1
Royalties, property income and other territorial revenues	
Other		741	736	777
Outflows:				
Transfers to Government		(742)	(737)	(778)
Grants and subsidies	
Supplies and services	
Borrowing costs	
Other	
Net cash provided by/ (used in) operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for property, plant and equipment	
Payments for intangibles	
Payments for investments	
Loans and advances made	
Net cash provided by/ (used in) investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections	
Outflows:				
Borrowing redemptions	
Finance lease payments	
Equity withdrawals	
Net cash provided by/ (used in) financing activities	
Net increase/ (decrease) in cash held	
Administered cash at beginning of financial year	
Cash transfers from restructure	
Administered cash at end of financial year	

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Queensland Government entities will adopt Australian Equivalents to International Financial Reporting Standards (IFRS) from 1 July 2005. These Standards replace existing Australian Accounting Standards, with the exception of AAS 29 *Financial Reporting by Government Departments* and AAS 31 *Financial Reporting by Governments*.

The format of the Financial Statement tables in the 2005-06 Ministerial Portfolio Statements has been amended to accord with the adoption of IFRS. The main changes to the tables reflect new terminology and new reporting disclosures. The Statement of Financial Performance is now known as the Income Statement, the Statement of Financial Position is now the Balance Sheet, and the Statement of Cash Flows is now the Cash Flow Statement. Where IFRS has had an impact, these impacts are detailed in the following notes.

The equity return expense has been discontinued effective from 1 July 2004 and has been removed from the 2004-05 Budget estimates to provide for comparability with the 2005-06 Budget estimates. Machinery of Government changes are also reflected (if relevant) in the recast estimates.

Income Statement

Major Variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

1. Increase is mainly due to additional funding for depreciation expense, high priority building maintenance, child safety support and the implementation of the Integrated Offender Management System.
2. Increase is predominately the continuation of the Post Release Employment Assistance Program.
3. Increase is attributed to additional funding for child safety support, training of additional recruits, the review of the *Corrective Services Act 2000* and the implementation of the Integrated Offender Management System.
4. Increase is mainly due additional funding for high priority building maintenance, the review of the *Corrective Services Act 2000* and the implementation of the Integrated Offender Management System.
5. Additional depreciation expense mainly reflects the componentisation of Departmental assets as required under Accounting Policy Guideline (APG) 17.

Major Variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

6. Increase is mainly due to additional funding for Enterprise Bargaining, depreciation expense, additional maintenance, further commissioning of facilities, enhanced capacity for the delivery of sex offender programs and offender rehabilitation program evaluation and program improvement.
7. Increase is predominately the continuation of the Post Release Employment Assistance Program.
8. Increase is mainly due to additional funding for Enterprise Bargaining, provisions for commissioning of infrastructure, enhanced capacity for the delivery of sex offender programs, offender rehabilitation program evaluation and program improvement, and child safety support.
9. Increase is mainly due to additional funding for maintenance, provisions for commissioning of infrastructure, enhanced capacity for the delivery of sex offender programs and offender rehabilitation program evaluation and program improvement, partly offset by reduced costs due to the completion of the Integrated Offender Management System.
10. Additional depreciation expense mainly reflects the componentisation of Departmental assets as required under APG 17.

Major Variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

11. Increase is mainly due to additional funding for Enterprise Bargaining, additional maintenance, provisions for commissioning of infrastructure, enhanced capacity for the delivery of sex offender programs and offender rehabilitation program evaluation and program improvement.
12. Increase is mainly due to additional funding for Enterprise Bargaining, provisions for commissioning of infrastructure, enhanced capacity for the delivery of sex offender programs, and offender rehabilitation program evaluation and program improvement.
13. Increase is mainly due to funding for additional maintenance, provisions for commissioning of infrastructure, enhanced capacity for the delivery of sex offender programs, and offender rehabilitation program evaluation and program improvement.

Statement of Changes in Equity

Major Variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

14. The increase mainly represents the estimated indexation of the valuations of eligible assets in 2004-05.
15. The increase in equity withdrawal reflects the increase in depreciation expense, and a reduction in capital expenditure.

Major Variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

16. The increase mainly represents the estimated indexation of the valuations of eligible assets in 2004-05, and the estimated indexation for 2005-06.

17. The movement from equity withdrawal to equity injection reflects increased capital expenditure, partially offset by increased depreciation expense.

Major Variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

18. The increase mainly represents the estimated indexation of the valuations of eligible assets in 2005-06.
19. The movement from equity withdrawal to equity injection mainly reflects increased capital expenditure in 2005-06.

Balance Sheet

Major Variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

20. Decrease mainly reflects the decrease in retained earnings and increase in receivables, predominantly trade debtors.
21. Increase is predominantly in the expected level of trade debtors at year end.
22. The increase is mainly due to new acquisitions and a revaluation of certain assets, partly offset by depreciation.
23. Increase is mainly due to the capitalisation of the Integrated Offender Management System in 2004-05.
24. The decrease is mainly due to a reduction in trade creditors.
25. The increase is mainly due to fewer than expected leave days being taken in 2003-04.
26. Decrease is mainly due to an equity withdrawal related to increased funding for depreciation for componentisation of assets under APG 17, and the deferral of some capital expenditure to 2005-06, partly offset by additional capital funding for emergent projects.
27. Decrease reflects the department achieving an unanticipated operating deficit for 2003-04, due to componentisation of assets under APG 17.
28. Increase is due to a higher than expected asset indexation rate in 2004-05.

Major Variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

29. Decrease mainly reflects the decrease in retained earnings and increase in receivables, predominantly trade debtors.
30. Increase is predominantly in the expected level of trade debtors at year end.
31. Increase is mainly due to reclassification of inventories following adoption of IFRS.
32. Increase reflects the increased capital acquisition program and anticipated indexation of the values of certain assets.
33. Increase is mainly due to the capitalisation of the Integrated Offender Management System in 2004-05.
34. The decrease is mainly due to a reduction in trade creditors.
35. The increase is mainly due to a revaluation of the provision to reflect the Enterprise Bargaining salary increases.
36. Decrease is mainly due to an equity withdrawal related to increased funding for depreciation for componentisation of assets under APG 17, partly offset by additional capital funding for new projects.
37. Decrease is due to the Department achieving an unanticipated operating deficit for 2003-04, partly offset by an adjustment for the adoption of IFRS.
38. Increase is due to a higher than expected asset indexation rate in 2004-05.

Major Variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

39. Increase predominantly reflects the planned increase in retained earnings at the end of 2005-06.
40. Increase is mainly due to reclassification of inventories following adoption of IFRS.
41. Increase is mainly due to the expanded capital program for 2005-06 and estimated indexation of the value of existing assets, partially offset by depreciation of existing assets.
42. Decrease is mainly due to amortisation of existing assets, reducing their book value.
43. The increase is mainly due to a revaluation of the provision to reflect the Enterprise Bargaining salary increases.
44. Increase is mainly funding for new capital projects in 2005-06, partly offset by an equity withdrawal related to additional funding for depreciation resulting from the componentisation of assets under APG 17.
45. Increase reflects the adoption of IFRS in 2005-06.
46. Increase mainly reflects a higher than expected asset indexation rate in 2004-05.

Cash Flow Statement

Major Variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

47. Increase is mainly due to additional funding for depreciation expense, high priority building maintenance, child safety support and the implementation of the Integrated Offender Management System.
48. Increase is attributed to additional funding for child safety support, training of additional recruits, the review of the Corrective Services Act and the implementation of the Integrated Offender Management System.
49. Increase is mainly due to additional funding for high priority building maintenance, the review of the Corrective Services Act and the implementation of the Integrated Offender Management System.
50. Decrease is mainly due to the deferral of some capital expenditure to 2005-06.
51. Increase is supplementation for the completion of the Integrated Offender Management System.
52. Decrease is mainly due to the deferral of some capital expenditure planned for 2004-05.
53. Increase mainly reflects additional depreciation expense funding.
54. Decrease mainly reflects the decrease in retained earnings and increase in receivables, predominantly trade debtors.
55. Decrease mainly reflects the decrease in retained earnings and increase in receivables, predominantly trade debtors.

Major Variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

56. Increase is mainly due to additional funding for Enterprise Bargaining, depreciation expense, additional maintenance, further commissioning of facilities, enhanced capacity for the delivery of sex offender programs and offender rehabilitation program evaluation and program improvement.
57. Increase is mainly due to additional funding for Enterprise Bargaining, provisions for commissioning of infrastructure, enhanced capacity for the delivery of sex offender programs, offender rehabilitation program evaluation and program improvement, and child safety support.
58. Increase is mainly due to additional funding for additional maintenance, provisions for commissioning of infrastructure, enhanced capacity for the delivery of sex offender programs and offender rehabilitation program evaluation and program improvement, partly offset by reduced costs due to the completion of the Integrated Offender Management System.

59. Increase reflects the expanded capital expenditure program for 2005-06.
60. Increase reflects the expanded capital expenditure program for 2005-06.
61. Increased equity withdrawal reflects the expanded capital expenditure program for 2005-06 and additional depreciation expense funding.
62. Decrease mainly reflects the decrease in retained earnings and increase in receivables, predominantly trade debtors.
63. Decrease mainly reflects the decrease in retained earnings and increase in receivables, predominantly trade debtors.

Major Variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

64. Increase is mainly due to additional funding for Enterprise Bargaining, additional maintenance, provisions for commissioning of infrastructure, enhanced capacity for the delivery of sex offender programs and offender rehabilitation program evaluation and program improvement.
65. Increase is mainly due to additional funding for Enterprise Bargaining, provisions for commissioning of infrastructure, enhanced capacity for the delivery of sex offender programs, and offender rehabilitation program evaluation and program improvement.
66. Increase is mainly due to funding for additional maintenance, further commissioning of facilities, enhanced capacity for the delivery of sex offender programs, and offender rehabilitation program evaluation and program improvement.
67. Increase reflects the expanded capital expenditure program for 2005-06.
68. Decrease reflects the completion of the Integrated Offender Management System in 2004-05.
69. Increase reflects the expanded capital expenditure program for 2005-06.
70. Increase mainly reflects the expanded capital expenditure program for 2005-06.
71. Decrease mainly reflects expected changes in the timing of payments and receipts.
72. Increase predominantly reflects the adoption of international accounting standards in 2005-06.

RECONCILIATION OF 2005-06 APPROPRIATION AMOUNTS TO THE FINANCIAL STATEMENTS

CONTROLLED

Income Statement

	\$'000
Output Revenue in Income Statement ¹	389,233
<i>Add:</i> Appropriation Funding for Outputs Receivable ^a	<u>..</u>
= Appropriation for Departmental Outputs	389,233
= Output Receipts in Cash Flow Statement ²	389,233

Balance Sheet

	\$'000
Closing balance Contributed Equity ³	283,875
<i>Less:</i> Opening Balance Contributed Equity ³	<u>272,465</u>
= Change in Contributed Equity in the Balance Sheet	11,410
<i>Add:</i> Appropriation Equity Injection Receivable ^b	..
<i>Less:</i> Non-appropriated Equity Adjustments	<u>..</u>
= Appropriation for Equity Adjustment ⁴	11,410
= Net Appropriated Equity Adjustment in Cash Flow Statement	11,410

1. This Output Revenue amount reconciles to the Output Revenue line in the Income Statement on page 3-31.
 2. This Output Revenue amount reconciles to the Output Receipts line in the Cash Flow Statement on page 3-33.
 3. The Contributed Equity amounts reconcile to the Contributed Equity line in the Balance Sheet on page 3-32.
 4. 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 Services¹ Allocation 2005-06 Estimate (\$'000)

	Notes	Total Corporate Services	Facility-based Containment Services	Community Supervision Services	Correctional Intervention Services
Income					
Output revenue		69,127	43,895	7,597	17,635
User charges		(5)	(5)	..	..
Grants and other contributions		189	67	..	122
Other revenue		2,680	2,311	243	126
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..	..
Total income		71,991	46,268	7,840	17,883
Expenses					
Employee expenses		27,831	16,359	3,364	8,108
Supplies and services		24,409	14,111	2,803	7,495
Grants and subsidies		806	800	3	3
Depreciation and amortization	2	13,424	11,645	1,146	633
Finance/borrowing costs		..	..	..	..
Other expenses		5,521	3,353	524	1,644
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..	..
Total expenses		71,991	46,268	7,840	17,883
Full Time Equivalents		349	213	46	90

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 the Shared Service Provider PartnerOne for the provision of some finance and administration, purchasing, human resources and payroll functions.

This page has been left blank intentionally.