



Queensland
Government

MINISTERIAL PORTFOLIO STATEMENT

2006-07 STATE BUDGET

**MINISTER FOR POLICE AND CORRECTIVE
SERVICES**

DEPARTMENT OF CORRECTIVE SERVICES

Hon. Judy Spence MP
Minister for Police and
Corrective Services

Mr Frank Rockett
Director-General

DEPARTMENTAL OVERVIEW

STRATEGIC ISSUES

The Department of Corrective Services seeks to support the Government in achieving its outcome of Safe and secure communities and its priority of Protecting our children and enhancing community safety.

The department contributes to community safety and crime prevention objectives through administering an integrated correctional services system that delivers humane containment, supervision and interventions for offenders.

Specific functions include the:

- management of prisoners in safe and secure environments
- supervision of offenders in the community
- application of integrated intervention services, targeted to assessed risks and criminogenic needs
- provision of advice and support to sentencing and releasing authorities
- management of arrangements whereby offenders can make reparation to the community.

In 2005, Queensland recorded the largest prison population in the State's history. The prison population has more than doubled since July 1993, with a further 90% growth expected over the next 10 years. This growth is not unique to Queensland, however – it is both a national and a global trend.

The most apparent causes for the growth Queensland has experienced include a general population increase of over 27% during that period, more effective policing, changed sentencing practices, a rise in the number of people held in custody awaiting trial, and expanded use of imprisonment for those offenders who breach community-based orders.

The profile of the prison population is also changing, which brings with it many additional challenges in effectively managing and intervening with prisoners. The age profile of prisoners is shifting with increasing numbers of prisoners in all age categories over 35. Indigenous prisoners remain over-represented, with approximately 27% of the prison population identifying as Indigenous. The increasingly diverse and complex prison population is now characterised by significant proportions of offenders with mental, intellectual, psychological or physical disabilities or disorders, with high dependencies on medication. In addition, the management of this diverse group is made more complex by the short length of custodial sentences. In 2005, seven in every 10 prisoners were sentenced to a prison term of less than two years and, of these, four were serving less than six months.

The department's current focus is to:

- safely and humanely contain prisoners through operating and maintaining existing infrastructure
- build new infrastructure to accommodate the growth in prisoner numbers
- maintain community safety by supervising and monitoring offenders in the community
- manage the growth in prisoner numbers by effectively implementing diversionary strategies

- manage the increasing complexity of offenders' health profiles including mental health, intellectual disability, increasing age and illicit drug dependency issues
- reduce recidivism through the provision of rehabilitation programs as well as educational and training programs and prison industries.

Managing the Growth in Prisoner Numbers

The management of growing prisoner numbers has been a significant issue over recent years. Consequently, the department is planning to implement a range of additional strategies, which include a new Probation and Parole Service that has a stronger supervision model for those who are given community-based orders or are released from prison on parole conditions. Successful completion of community-based orders by offenders should have an effect on reducing prison numbers. A number of existing corrective services facilities are also being redeveloped, as well as new facilities constructed.

New Corrective Services Legislation

A review of the *Corrective Services Act 2000* was completed in 2005 following an extended period of community consultation and extensive research into contemporary correctional practices, with the resulting *Corrective Services Bill 2006* introduced into the Legislative Assembly in March 2006. Major policy objectives relate to:

- ensuring that the sentences imposed by courts operate upon prisoners for the whole of their periods of imprisonment and that prisoners are managed in a safe and secure environment according to their risk
- a clarification that certain human entitlements are necessarily diminished as a result of imprisonment
- the provision of rehabilitation services to offenders to minimise the risk of further offending
- a recognition of victims.

Meeting the Needs of a Diverse Offender Population

The department recognises its role as a partner in criminal and social justice and understands the value of partnering with other agencies. A key mechanism for meeting the needs of a more diverse offender population is to increase partnering with both government and non-government organisations. Specific strategies will also be developed to care for aged and infirm prisoners.

Throughcare

Continuity of offender management from custodial to community-based supervision is another challenge facing the department. Improvements in the administration of throughcare should reduce recidivism as offenders are provided with whole-of-sentence planning and intervention and additional support in making the transition from custody to community-based supervision.

As a commitment to throughcare, the department introduced the Integrated Offender Management System throughout the State in August 2005, thus providing a consistent and integrated approach to offender management across all areas of correctional service delivery. Key benefits include the availability of more accurate and complete data to support the work of the department and enhanced integration of information and decision making between custodial and community corrections.

This has the potential to provide more effective targeting of rehabilitation programs based on an offender's assessed risks and needs. It will also ensure staff have ready access to relevant information required for the effective supervision of offenders, regardless of their location. This approach reduces duplication of administrative effort and enables staff to devote more of their time to offender management activities that improve community safety.

2006-07 HIGHLIGHTS

Establishment of a New Probation and Parole Service (\$5 million)

This is the most significant reform initiative in community corrections since 1988. The 2006-07 funding is for a project to establish a new model that will enhance community safety, reduce re-offending and address the causes of crime by ensuring that offenders sentenced to community supervision comply with their orders and are provided with appropriate rehabilitation services. Probation and Parole District Offices across the State will be responsible for implementing the revised arrangements, with new services established at Mount Gravatt, Thursday Island, Mornington Island, Doomadgee and Normanton. From 2007-08, \$10 million will be provided annually to fund approximately 76 additional full-time positions which will be created to ensure effective delivery within each region. Highly specialised roles include offender assessment and intervention for high risk offenders. The additional positions include 16 surveillance officers and five intelligence officers.

Implementation of Court-ordered Parole (\$2.5 million)

Provision has been made for 27 more staff within community corrections to manage this aspect of the new legislative changes. Court-ordered parole will result in all prisoners serving 100% of their sentences of imprisonment in custody or under supervision in the community.

Major Capital Projects (\$216.4 million)

Work will continue on the capital works projects commenced in 2005-06 with the allocation of \$231 million over three years, which has been supplemented by a further \$68.4 million over two years. These projects include the redevelopment and expansion of the Sir David Longland Correctional Centre, the expansion of the Arthur Gorrie Correctional Centre and construction of a new women's correctional centre in Townsville. Following planning undertaken in 2005-06, funding of \$139.3 million over three years has been allocated for the redevelopment of the existing men's facilities in Townsville.

Perimeter Upgrade (\$5.5 million)

Over a period of five years, \$30 million will be spent to maintain and upgrade the perimeter security systems in all secure correctional facilities throughout the State. Two centres have now been upgraded with a third nearing completion. The program will continue for another three years.

Facilities Maintenance (\$4.7 million)

Funding has been extended by \$4.7 million each year over a further three-year period, and \$1.1 million per year ongoing, to continue to address the high priority programmed maintenance activities at correctional centres identified as part of a condition-based assessment by the Department of Public Works.

Corrective Services Act 2006

The commencement of the *Corrective Services Act 2006* will herald major changes to the way prisoners are managed within the correctional environment and subsequently released into the community. These reforms will improve community safety and continue to ensure that prisoners who pose a threat to the community are securely contained. Some key features of the new legislation are:

- remission will be abolished for all current and future prisoners
- conditional release will be phased out
- supervised parole will be the only form of early release available to prisoners, replacing remission, conditional release, release to work and home detention
- three Parole Boards will be established to consider applications for parole
- victims of crime who are registered with the Victims Register will have a statutory right to make a submission to a Parole Board prior to the Board considering a prisoner's application for parole
- prisoners will be prohibited from accessing assisted reproductive technology and from running a business from prison
- a new security classification system for determining the level of security and supervision that a prisoner requires will be introduced
- management decisions about prisoner security and placement will no longer be subject to Judicial Review
- a new order which allows for the separation of prisoners for their own safety and the safety of others will be introduced
- there will be an enhanced inspectorate function, with the strengthening of the Official Visitor scheme to be overseen by the Chief Inspector.

Prisoner Mental Health

During the 2006-07 financial year, Queensland Health will make available an additional \$2.4 million for prisoner mental health services. These will include the provision of more mental health professionals as well as the engagement of non-government organisations to deliver throughcare services in the community.

Prisoner Care (\$0.58 million)

At the Wolston Correctional Centre, nurses and occupational therapists will be employed specifically to care for those prisoners requiring a high level of health, medical, support and program intervention due to chronic or terminal illness, age or disability. The current prisoner carers will also be retained as prisoner support workers and given appropriate formal training.

Videoconferencing (\$0.73 million recurrent; \$2.7 million capital)

In conjunction with the Department of Justice and Attorney-General, videoconferencing facilities will be progressively installed in a number of correctional centres. Prisoners will be able to appear in court via video link thereby improving the efficiency of the processing of court matters.

Integrated Justice information System

The Integrated Justice information System, which is a joint project with the Departments of Justice and Attorney-General, Communities, Child Safety and Corrective Services as well as the Queensland Police Service, is continuing to develop initiatives that facilitate the sharing of information across justice agencies and improve the management of criminal justice and domestic violence processes. These include enhanced agency connectivity, consistent management of reference data and the introduction of a single offender identifier to streamline access to accurate and comprehensive information on criminal justice activities.

DEPARTMENTAL OUTPUTS

The department primarily contributes to the Government priority of Protecting our children and enhancing community safety. To support this priority, the department delivers its core business around three outputs: Facility-based Containment Services, Community Supervision Services and Correctional Intervention Services. Together, the three outputs seek to contain offenders safely where necessary, and supervise and intervene with them, to reduce their risk of offending. These outputs are linked to provide continuity in the management and intervention with offenders throughout their entire sentence.

Facility-based Containment Services delivers an humane custodial environment with security according to risk that provides for the safety of the community, staff and prisoners. In the current strategic plan, the relevant goal for this output is integrated and effective management and supervision of offenders in accordance with assessed risks and needs.

Community Supervision Services maintains a balance between public safety and the supervision of offenders in the community. As part of the current strategic plan, goals identified to achieve this output are:

- integrated and effective management and supervision of offenders in accordance with assessed risks and needs
- effective advisory and support services to sentencing and releasing authorities.

Correctional Intervention Services aims to reduce recidivism by providing effective programs and services that encourage offenders to lead law-abiding lives. The current strategic plan articulates the following goals for this output:

- minimise the risk of re-offending through targeted and coordinated intervention services
- provide appropriate opportunities for offenders to make reparation to the community.

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

	2005-06 Budget \$'000	2005-06 Est. Actual \$'000	2006-07 Estimate \$'000
CONTROLLED			
Income			
Output revenue	389,233	393,038	402,226
Own source revenue	16,461	15,353	13,973
Total income	405,694	408,391	416,199
Total expenses	405,694	422,137	416,199
Operating Surplus/ (Deficit)	..	(13,746)	..
NET ASSETS	904,817	937,786	1,215,303
ADMINISTERED			
Revenue			
Administered item revenue	..	..	..
Other administered revenue	778	1	..
Total revenue	778	1	..
Expenses			
Transfers of administered revenue to Government	778	1	..
Administered expenses	..	..	..
Total expenses	778	1	..
Note:			
1. Explanations of variances are provided in the Explanation of Variances in the Financial Statements section and Output Income Statements.			

APPROPRIATIONS

	2005-06 Budget \$'000	2006-07 Estimate \$'000
Controlled Items		
Departmental Outputs	389,233	402,226
Equity Adjustment	11,410	195,373
Administered Items	..	..
Vote Total	400,643	597,599
Note:		
1. A reconciliation of appropriations to the Financial Statements follows the Financial Statements.		

STAFFING¹

Output/Activity	Notes	2005-06 Est. Actual	2006-07 Estimate
OUTPUTS	2		
Facility-based Containment Services	3	2,005	2,045
Community Supervision Services	4	453	528
Correctional Intervention Services	5	509	504
Total		2,967	3,077
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 mainly due to commissioning of new capacity in South East Queensland.			
4. The increase is mainly due to the implementation of the new Probation and Parole Service.			
5. The decrease is mainly finalisation of the program evaluation and improvement project.			

2006-07 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	304,510	301,889	..	..	2,621
Community Supervision Services	52,782	52,782	..	..	..
Correctional Intervention Services	58,907	47,555	9,417	..	1,935
Total	416,199	402,226	9,417	..	4,556
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 or privately operated correctional facilities.

High security facilities, which accommodate maximum, high, medium, low and open classification prisoners, maintain prisoners in a secure environment, providing protection for the community. Low security facilities assist in preparing open and low classification prisoners to transition into the community. Prisoners are accommodated in facilities commensurate with their assessed security classification and individual needs.

Prisoners move 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 their offending behaviour.

Transport and escort services ensure the safety of the community when prisoners are required to attend scheduled external activities such as court hearings or hospital appointments.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

In 2005, Queensland recorded the largest prison population in the State's history. Throughout the year, almost 8,000 persons were remanded in, or sentenced to, a Queensland prison, with a daily population of approximately 5,400. Although the State's total general population has only increased by a little more than 27% since July 1993, the prison population has more than doubled over the same period, with a further 90% growth expected over the next 10 years.

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

In addition, the *Report on Government Services 2006* reported that, in 2004-05, Queensland had:

- the lowest overall recidivism rate in Australia: 30.6% of prisoners in Queensland returned to prison, compared to the national average of 38.4%
- the lowest recurrent cost per prisoner per day in secure correctional centres, costing \$147.60 per day compared to the national average of \$177.40.

The *Corrective Services Act 2000* was reviewed and updated following extensive public consultation. The new Bill was introduced into Parliament in March 2006.

The expansion and refurbishment of Sir David Longland Correctional Centre commenced with the decommissioning of the existing centre in November 2005. Preparatory construction work commenced in January 2006 with a managing contractor appointed in April 2006. A managing contractor was also appointed for the construction of a new 150-bed women's correctional facility at Townsville that will replace the current two women's units.

West Brisbane Community Corrections Centre was decommissioned in September 2005 due to the deteriorating state of the facility and poor outcomes for prisoners. The Work Outreach Camp (WORC) headquarters at Wacol was also decommissioned. Buildings not required from these sites were relocated to North Queensland for use by the Department of Housing to provide emergency accommodation in the aftermath of Cyclone Larry.

The final five Perimeter Patrol Vehicles were received and made operational in the latter half of 2005. These are state-of-the-art armoured vehicles which form part of a five-year program to enhance perimeter security at correctional facilities for the management of high-risk prisoners.

The establishment of the Offender Progression Review Committee was supported by the development of offender management processes for prisoners serving more than 10 years' imprisonment. The committee's primary functions will be re-aligned with the provisions of the new legislation, such as the abolition of remission.

The department has continued to collaborate with other agencies including the Department of Justice and Attorney-General and the Queensland Police Service in the development and implementation of an Integrated Justice Information System. Recent initiatives have included developing information sharing processes pertaining to court lists and court outcomes.

Future Developments

The department and Queensland Health are reviewing the delivery of general health services in correctional facilities during 2006 to consider where this responsibility would best lie. A detailed investigation of prisoner mental health services has already been completed by the two agencies and this will be incorporated into the larger review. The continuing care of aged and infirm prisoners will also be included in the review, which will then inform the development of relevant policy and procedures for this group of offenders in custodial settings.

Funding has been provided to continue the high priority programmed maintenance activities at correctional centres. This includes repairs and replacements of roofing and gutters, electrical installations and mechanical services as well as plumbing repairs, replacement of floor coverings and internal and external painting.

Work is scheduled to be completed by mid-2008 on the new women's facilities in Townsville and by late 2008, the major construction activities associated with the considerable redevelopment of the men's centre should also be complete. This includes the demolition of some existing outdated and unserviceable cells and the commissioning of a new secure cell block. These initiatives, together with the utilisation of the beds in the current women's accommodation following their relocation to a new facility, will increase the net capacity significantly. Service infrastructure will also be upgraded.

When completed in late 2007, a revamped Sir David Longland Correctional Centre will become a reception centre for new prisoners. It will also continue to manage sentenced prisoners, a maximum security unit and 17 year old males. All of these functions will be separated within the newly-expanded facility. This project is being undertaken in conjunction with a 180-bed expansion of the Arthur Gorrie Correctional Centre, which will allow remand prisoners in South East Queensland to be housed in the one establishment. In 2006-07, more beds will also be commissioned at Brisbane Women's, Woodford and Maryborough correctional centres to assist with the anticipated growth in prisoner numbers.

In addition, the department is currently exploring the possibility of a site in South East Queensland for a new corrective services precinct which could ultimately accommodate up to 4,000 prisoners.

In conjunction with the Department of Justice and Attorney-General, capital funding of \$2.7 million is provided in 2006-07 for a videoconferencing installation at the Brisbane Women's Correctional Centre, as well as the planning, design and construction of a similar facility at the Arthur Gorrie Correctional Centre. This will reduce the necessity to transport prisoners from secure correctional facilities thus lowering associated costs, enhancing public and officer safety and increasing efficiency in court processes.

OUTPUT STATEMENT

Output: Facility-based Containment Services				
Measures	Notes	2005-06 Target/Est.	2005-06 Est. Actual	2006-07 Target/Est.
Quantity	1			
Number of male prisoners				
High Security Facilities	2	4,320	4,325	4,420
Low Security Facilities	3	850	735	745
Number of female prisoners				
High Security Facilities		300	300	300
Low Security Facilities		75	75	80
Indigenous status (proportion)	4	New		
Male prisoners Indigenous			27%	26%
Male prisoners non-Indigenous			73%	74%
Female prisoners Indigenous			28%	27%
Female prisoners non-Indigenous			72%	73%
Short sentence profile	5	New		
Proportion of prisoners with sentence ≤1yr (non-violent, non-sexual offenders)			42%	40% - 45%
Proportion of prisoners with sentence ≤1yr (all sentenced prisoners)			30%	28% - 32%
Quality				
Escape rate	6			
High Security Facilities		0	0	0
Low Security Facilities		0	1.6	0
Abscond rate	7			
Low Security Facilities		<1.2	0.6	0.8
Assault rate – Major (prisoner on staff)	8			
High Security Facilities		0	0.02	0
Low Security Facilities		0	0	0
Assault rate – Minor (prisoner on staff)	8			
High Security Facilities		<1.2	1.3	<1.2
Low Security Facilities		0	0	0
Assault rate – Major (prisoner on prisoner)	8			
High Security Facilities		<0.9	0.6	<0.9
Low Security Facilities		0	0.2	0
Assault rate – Minor (prisoner on prisoner)	8			
High Security Facilities		<6.6	5.5	<6.6
Low Security Facilities		<1.8	2.5	<1.8
Death rate (unnatural causes only)	9			
High Security Facilities		0	0	0
Low Security Facilities		0	0	0

Output: Facility-based Containment Services

Measures	Notes	2005-06 Target/Est.	2005-06 Est. Actual	2006-07 Target/Est.
Timeliness				
Completion of immediate risk needs on day of admission	10	100%	97%	100%
Completion of sentence management review within six months	11	100%	86%	Replaced
Completion of offender management plan reviews (OMPRs)	12	New	New	100%
Cost (\$)				
Cost of containment per prisoner per day	13	\$148.22	\$152.94	\$149.06
State Contribution (\$'000)		300,182	303,609	301,889
Other Revenue (\$'000)		2,767	2,560	2,621
Total Cost (\$'000)		302,949	319,915	304,510

Notes:

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. New measure for 2006-07.
5. New measures for 2006-07. The short sentence profile measures are used to monitor sentencing patterns. Both measures include sentenced prisoners only (i.e. remand prisoners are excluded from the calculation). The first measure excludes sex offenders and violent offenders from the calculation as these offenders are less likely to receive a non-custodial sentence. The second measure includes all sentenced offenders for comparative purposes.
6. Number of escapes divided by the annual average daily state for each facility type multiplied by 100.
7. Number of absconds divided by the annual average daily state for each facility type multiplied by 100.
8. Number of victims of assault, classified by degree of injury (major/minor), and divided by the annual average daily state for each facility type multiplied by 100.
9. Number of unnatural deaths divided by the annual average daily state for each facility type multiplied by 100.
10. Number of risk needs assessments completed on day of admission divided by the number of offenders admitted expressed as a percentage completed.
11. This measure monitors the timely review of six-monthly sentence classification reviews. The estimated actual result is that which was reported for 2004-05. Data for 2005-06 is not available due to transitioning to the new offender information system (IOMS) during the year. In 2004-05, 96% of sentence management reviews were completed within seven months. Similar output is expected in 2005-06. This measure will be discontinued in 2006-07 (see note 12).
12. New measure for 2006-07 to replace the six-monthly sentence management (classification) review measure (see note 11). Under the Integrated Offender Management Strategy, offender management plans are developed and reviewed according to the assessed risks and needs of an offender. This measure monitors the review of those plans.
13. Calculated by dividing the State contribution by the annual average daily state divided by 365.25.

Output Income Statement – Facility-based Containment Services

	Notes	2005-06 Budget \$'000	2005-06 Est. Act. \$'000	2006-07 Estimate \$'000
Income				
Output revenue	1,6,9	300,182	303,609	301,889
User charges		2	3	..
Grants and other contributions		..	..	..
Other Revenue		2,765	2,557	2,621
Gains on sale/revaluation of property, plant and equipment and investments				
Total income		302,949	306,169	304,510
Expenses				
Employee expenses	2,7,10	152,276	149,249	159,785
Supplies and services	3,8,11	103,547	110,505	98,059
Grants and subsidies		673	673	673
Depreciation and amortisation	4	38,138	35,253	37,683
Finance/borrowing costs		..	..	..
Other expenses		8,315	11,324	8,310
Losses on sale/revaluation of property, plant and equipment and investments	5,12	..	12,911	..
Total expenses		302,949	319,915	304,510
OPERATING SURPLUS/ (DEFICIT)		..	(13,746)	..

Notes:

Major Variations between 2005-06 Budget and 2005-06 Estimated Actual include:

1. Increase is mainly due to additional costs associated with the redevelopment of the Sir David Longland Correctional Centre (CC), extension of the Borallon CC management contract, demolition work at Capricornia CC, partially off-set by commissioning funding for vacant beds at Maryborough and Woodford correctional centres, and some depreciation funding, not being required.
2. Decrease is attributed to a change in alignment between supplies and services and employee expenses, partly off-set by additional costs associated with the redevelopment of the Sir David Longland CC.
3. Increase is attributed to additional costs associated with the redevelopment of the Sir David Longland CC, the Borallon CC management contract extension and demolition work at the Capricornia CC, and a change in alignment between supplies and services and employee expenses, partly off-set by commissioning funding for vacant beds at Maryborough and Woodford correctional centres not being required.
4. Decrease is predominantly due to a reassessment of the value of asset holdings.
5. Increase is due to the write-off of assets associated with the redevelopment of Sir David Longland CC.

Major Variations between 2005-06 Budget and 2006-07 Estimate include:

6. Increase is mainly due to funding for Enterprise Bargaining, the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, and the Borallon CC management contract extension, partly off-set by Sir David Longland CC not being operational.
7. Increase is mainly due to funding for Enterprise Bargaining and the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, partly off-set by the Sir David Longland CC not being operational.
8. Decrease is mainly due to the Sir David Longland CC not being operational and most of the commissioning of new infrastructure being completed in 2005-06, partly off-set by the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, and the Borallon CC contract extension.

Major Variations between 2005-06 Estimated Actual and the 2006-07 Estimate include:

9. Decrease is mainly due to the Sir David Longland CC not being operational and most of the commissioning of new infrastructure being completed in 2005-06, partially off-set by the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, and the Borallon CC contract extension.
10. Increase is mainly due to funding for Enterprise Bargaining, the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, and by a change in alignment between supplies and services and employee expenses in 2005-06, partly off-set by the Sir David Longland CC not being operational.
11. Decrease is mainly due to the Sir David Longland CC not being operational and most of the commissioning of new infrastructure being completed in 2005-06, partly off-set by the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, and the Borallon CC contract extension.
12. Decrease is due to the write-off of assets associated with the redevelopment of Sir David Longland CC occurring in the previous financial year.

OUTPUT PERFORMANCE

OUTPUT: **Community Supervision Services**

RELATED OUTCOME: **Safe and Secure Communities**

DESCRIPTION

This output provides correctional services for monitoring, supervising and intervening with offenders on community corrections orders, including parole, home detention, probation, intensive correction, prison-probation, intensive drug rehabilitation, and the supervision of community service and fine option orders. The reparation element from the last two order types 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.

In 2005-06, the department had staff located in 32 area offices and delivered 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, the offender's assessed risks and needs, and geographical location.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

The community corrections arm of the department monitors, supervises and supports an average of 12,000 offenders in the community.

The Report on Government Services 2006 reported that, in 2004-05, Queensland had the second lowest rate of offenders returning to community corrections, with a rate of 11.3% compared to the national average of 15.2%.

The Drug Court trial, which commenced in Beenleigh, Ipswich and Southport Magistrates Courts in 2000 and the Townsville and Cairns Magistrates Courts in 2002, was made permanent in March 2006. These courts are a whole-of-Government initiative with key partnerships operating between the department and other agencies including the Department of Justice and Attorney-General, Queensland Police Service, Queensland Health, Legal Aid Queensland as well as various community-based stakeholders. Community correctional officers provide assessment, court advisory, programs, and drug testing services for the court. They also provide case management of program participants during the period of their orders, in consultation with other stakeholders. By the end of the trial, more than 170 participants had graduated from the program.

As at 31 March 2006, 538 intensive drug rehabilitation orders have been made in the South East Queensland Drug Court with 137 graduates.

In North Queensland, there have been 110 intensive drug rehabilitation orders made in Townsville with 22 graduates, and 78 orders issued in Cairns with 17 graduates. There are currently 161 offenders participating in the program: 103 in South East Queensland, 36 in Townsville and 22 in Cairns.

The department is progressing the establishment of an inter-agency group to develop a consistent approach to the management and accommodation of sex offenders who are subject to the department's supervision.

As part of the Child Protection Offender Registry, the department's Child Safety Branch, in partnership with the Queensland Police Service, has issued more than 1,000 notifications in a 12-month period.

Community-based office facilities throughout the State have continued to be upgraded as required. This has included renovations, relocation and the establishment and enhancement of reporting centres, particularly in remote areas. New office locations for Brisbane West (to be renamed Brisbane Central) and Caboolture will be operational by June 2006.

The department has actively pursued the development of shared communication networks and ongoing partnerships with external agencies. For example, the Thuringowa Crime Prevention Partnership is a recent initiative linked to the Queensland Crime Prevention Strategy, which involves government and non-government stakeholders. The Thuringowa Community Corrections Area Office represents the department in this partnership. The area office is also a member of the Building Safer Communities Action Team. The team's main focus is to develop strategies that will contribute to the safety of the community, provide services to offenders and promote the well-being of the Thuringowa community, thus implementing sustainable solutions to crime and safety.

The Palm Island reporting centre has been paired with the Townsville Community Corrections Area Office as part of a trial to link smaller community corrections area offices with larger area offices to enable the delivery of adequate resources and services to remote communities in North Queensland. On Palm Island, there are now two permanent staff who deliver case management to 84 offenders. Staff are actively engaging with other agencies, including the Indigenous Justice Group, Queensland Health, Centrelink, the Aboriginal and Torres Strait Islander Legal Service and the Community Development Employment Program. The pilot project will be evaluated.

Future Developments

The introduction of an enhanced Probation and Parole Service is part of a multi-million dollar reform of the community corrections system. It is the first major overhaul of the system since 1988 and complements the significant investment of \$509 million over the past eight years in state-of-the-art correctional infrastructure and equipment.

The Probation and Parole Service focuses on delivering tougher supervision and surveillance of offenders, stronger links with the courts and the judiciary and a suite of major new rehabilitation programs.

This builds upon the central plank of community safety as well as focussing on reducing re-offending, thus adding to the State Government's commitment to addressing the causes of crime by ensuring that offenders sentenced to community supervision comply with their orders and are provided with appropriate rehabilitation services to put their lives back on track.

The new model involves approximately 76 additional staff and comprises the following four areas:

- Induction and Assessment – specialised induction and assessment staff will be used to assess the needs of individual prisoners and determine the best programs to meet their needs. They will have responsibility for providing court assessments, pre-sentence and order suitability reports for courts, home assessments for parole boards and advice on offender management plans
- Offender Management – the Offender (Case) Management function ensures that offenders with the highest risk will be supervised by the most experienced staff. The focus is on supporting an offender to develop the skills required to complete the order successfully and prevent re-offending. Case plans may include attendance at specific programs (such as drug rehabilitation, cognitive skills and sex offender relapse prevention), individual counselling or treatment, restriction on movement or association with others, payment of restitution or drug testing
- Offender Intervention Services – tackling the causes of crime is an important step towards breaking the cycle of re-offending and re-admission into prison. Only 16% of offenders under community supervision will return to either community supervision or custody within two years of release. Updated rehabilitation programs in accordance with contemporary criminal justice research and the findings of the evaluations undertaken from 2000 to 2004 will be progressively implemented.

A network of dedicated rehabilitation hubs will be established across the State, with additional offender intervention staff dedicated to remote and regional area offices to deliver a combination of programs designed to break the re-offending cycle

- Compliance and Surveillance – there will also be a dedicated compliance role that will be able to respond quickly and appropriately to any failures to comply with the conditions of an order. Compliance officers will also be responsible for the preparation of court briefs and associated documents following the contraventions of court orders. The introduction of these specialist officers will address the concerns of magistrates, who have indicated that the time breaches take to return to court remains too long. Supplementing this role, the current Court Advisory Service will be replaced with a professional prosecutor in each of the four regions.

Random surveillance of offenders is an effective way of ensuring compliance and minimising risk to the community by making it clear to offenders that they will be constantly scrutinised while on community-based orders. The new model includes a specialist surveillance role, with 16 new officers to be appointed. In addition, to accurately inform surveillance levels, a criminal intelligence function within the Probation and Parole Service will be established to focus on monitoring offenders.

The intelligence officers will determine which offenders are to be targeted with 24 hour-a-day, seven day-a-week surveillance.

A new court-ordered parole system will replace the current early release and discharge arrangements and will ensure that all offenders fully complete the order of the court either in custody or under parole. Offenders will have access to throughcare support following release through referral to community-based services such as housing, social and health services. According to criminological research, access to such services is essential to reducing recidivism.

New office facilities in Pine Rivers and Townsville are scheduled for later in 2006 and services will also be expanded in a range of Lower Gulf and Torres Strait Island communities. The Mount Isa Office and its related reporting centres will undergo significant upgrades, and a permanent probation and parole as well as programs presence will be established at Doomadgee, Mornington Island and Normanton. The new Thursday Island District Office will provide services to the Torres Strait and the Northern Peninsula area. The additional staff employed will provide improved supervision of offenders as well as the delivery of relevant programs to them, thereby enhancing the safety of communities in general and making community-based sentencing a viable alternative to incarceration.

OUTPUT STATEMENT

Output: Community Supervision Services				
Measures	Notes	2005-06 Target/Est.	2005-06 Est. Actual	2006-07 Target/Est.
Quantity	1,2			
Number of male offenders on orders (distinct count)				
Supervision orders		7,750		
Probation Orders			6,100	6,260
Parole Orders (excluding court ordered)			820	920
Court Ordered Parole Orders		New	New	100
Intensive Correction Orders			560	570
Intensive Drug Rehabilitation Orders			120	130
Reparation orders		2,370		
Community Service Orders			1,500	1,520
Fine Option Orders			1,090	1,100
Restricted movement orders	3	65	75	Discontinued
Number of female offenders on orders (distinct count)				
Supervision orders		1,950		
Probation Orders			1,740	1,780
Parole Orders (excluding court-ordered)			75	85
Court-ordered Parole Orders		New	New	20
Intensive Correction Orders			95	100
Intensive Drug Rehabilitation Orders			20	25
Reparation orders		790		
Community Service Orders			460	465
Fine Option Orders			415	420
Restricted movement orders	3	5	10	Discontinued
Indigenous status (proportion)	4	New		
Male prisoners Indigenous			17%	18%
Male prisoners non-Indigenous			83%	82%
Female prisoners Indigenous			21%	21%
Female prisoners non-Indigenous			79%	79%
Number of Courts to which advisory services delivered		111	111	111

Output: Community Supervision Services				
Measures	Notes	2005-06 Target/Est.	2005-06 Est. Actual	2006-07 Target/Est.
Quality				
Percentage of successfully completed orders	5			
Supervision Orders		>69%		
Probation Orders			67%	>69%
Parole Orders (excluding court-ordered)			78%	>73%
Court-ordered Parole Orders		New	New	>73%
Intensive Correction Orders			68%	>68%
Intensive Drug Rehabilitation Orders			25%	>25%
Reparation Orders		>73%		
Community Service Orders			66%	>69%
Fine Option Orders			75%	>75%
Restricted Movement Orders	3	>88%	93%	Discontinued
Rate of breach by reconviction	6,7			
Supervision Orders (excl parole)		<8%	8.5%	Discontinued
Restricted Movement Orders		<1%	0.8%	Discontinued
Rate of breach of conditions	6,7			
Supervision Orders		>14%	12%	Discontinued
Restricted Movement Orders		>7%	4%	Discontinued
Reparation Orders		>23%	17%	Discontinued
Timeliness				
Completion of offender management plan reviews (OMPRs) – urban service locations	8			
		New	New	100%
Completion of offender management plan reviews (OMPRs) – remote service locations		New	New	50%
Location				
Number of Area Offices	9	32	32	34
Number of Reporting Centres	10	103	103	106
Cost (\$)				
Cost of supervision per offender per day	11	\$9.09	\$9.08	\$10.71
State Contribution (\$'000)				
		42,935	43,395	52,782
Other Revenue (\$'000)				
	
Total Cost (\$'000)				
		42,935	43,395	52,782

Notes:

1. Estimated actual offender numbers for 2005-06 are derived by averaging the number of offenders on orders at the end of the month to March 2006.
2. Information for 2005-06 estimated actual and 2006-07 target/estimate has been augmented by disaggregation by order type.
3. Home detention is the only order type in the category of Restricted Movement Orders. The order type Home Detention will be discontinued in 2006-07. Home detention will be available as a condition of other orders.
4. New measure for 2006-07.
5. Calculated as the number of successfully completed orders divided by the completed orders (successful or otherwise) for each category and expressed as a percentage. Information for 2005-06 estimated actual and 2006-07 target/estimate has been augmented by disaggregation by order type. Home detention is the only order type in the category of Restricted Movement Orders. The estimated actual completion rate for total Supervision Orders is 67%. The estimated actual completion rate for total Reparation Orders is 72%. The target/estimate for 2006-07 for total Supervision Orders is >69%. The target/estimate for 2006-07 for total Reparation Orders is >73%.
6. Breach rates are calculated for each order and breach type by using the number of offenders breached in each category divided by the number of offenders supervised in each category and expressed as a percentage. The estimated actual results are that which were reported for 2004-05. Data for 2005-06 is not available due to transitioning to the new offender information system (IOMS) during the year. Similar output is expected in 2005-06.
7. Breaching practices are a variable management tool and are dependent on the individual behaviour of an offender. Accordingly, predicting breach rates with any certainty is not possible. The breaching measures will be discontinued in 2006-07 and more focus placed on reporting of successful completions of orders (see note 5).
8. New measure for 2006-07. Under the Integrated Offender Management Strategy, offender management plans are developed and reviewed according to the assessed risks and needs of an offender. This measure monitors the review of those plans. Contact with offenders in remote locations is less frequent, hence the target for OMPRs is lower than that for urban locations.
9. Two additional area offices to open – one at Thursday Island and one at Mount Gravatt.
10. Three additional reporting centres to open – one at Doomadgee, one at Normanton and one at Mornington Island.
11. Calculated by dividing the State contribution by the estimated average number of offenders divided by 365.25.

Output Income Statement – Community Supervision Services

	Notes	2005-06 Budget \$'000	2005-06 Est. Act. \$'000	2006-07 Estimate \$'000
Income				
Output revenue	1,4	42,935	43,395	52,782
User charges		..	..	..
Grants and other contributions		..	..	..
Other Revenue		..	..	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		42,935	43,395	52,782
Expenses				
Employee expenses	2,5	30,270	30,575	38,674
Supplies and services	3,6	8,417	8,650	9,701
Grants and subsidies		34	34	34
Depreciation and amortisation		2,347	2,268	2,376
Finance/borrowing costs		..	..	..
Other expenses		1,867	1,868	1,997
Losses on sale/revaluation of property, plant and equipment and investments				
Total expenses		42,935	43,395	52,782
OPERATING SURPLUS/ (DEFICIT)		..	..	..

Notes:

Major Variations between 2005-06 Budget and 2006-07 Estimate include:

1. Increase is mainly due to funding for Enterprise Bargaining, implementation of court-ordered parole and the establishment of the new Probation and Parole Service.
2. Increase is mainly due to funding for Enterprise Bargaining, implementation of court-ordered parole and the establishment of the new Probation and Parole Service.
3. Increase is mainly due to additional funding for implementation of court-ordered parole and the establishment of the new Probation and Parole Service.

Major Variations between 2005-06 Estimated Actual and the 2006-07 Estimate include:

4. Increase is mainly due to funding for Enterprise Bargaining, implementation of court-ordered parole and the establishment of the new Probation and Parole Service.
5. Increase is mainly due to funding for Enterprise Bargaining, implementation of court-ordered parole and the establishment of the new Probation and Parole Service.
6. Increase is mainly due to additional funding for implementation of court-ordered parole and the establishment of the new Probation and Parole Service.

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 their offending behaviour.

In corrective services facilities, prisoners have opportunities to participate in education, employment, vocational training and behavioural programs. Access to health and medical services is also provided.

Where possible, intervention services are provided in partnership with government agencies, external service providers and the general community.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

The department revamped and replaced existing offender programs in correctional centres across Queensland. A multi-million dollar suite of state-of-the-art programs was implemented with funding invested by Government to enhance the specialised rehabilitation interventions for offenders posing the greatest risk to children and community safety.

A Sexual Offending Programs Unit was established to ensure the department has the capacity to deliver sexual offending behaviour programs State-wide. Through this initiative, 300 additional program placements will be provided to sexual offenders by the end of the 2005-06 financial year. During this year, more than 140 program placements have been completed, compared with 87 during the previous year, with a further 82 offenders currently in programs. Therapeutic treatment programs range from six to nine months in duration. More than 350 specialised assessments of sexual offenders have also been conducted to determine intervention needs. A further \$2.4 million is allocated for 2006-07 to maintain this increased delivery of sexual offending programs.

The department completed a comprehensive revision of its key rehabilitation programs of cognitive skills, violence intervention, anger management, substance abuse and sexual offending this year. New evidence-based programs were procured to improve rehabilitation effectiveness and delivery efficiency, provide greater program flexibility in regional and remote areas and better meet the needs of the diverse offender population including Indigenous offenders, women offenders, offenders from non-English speaking backgrounds and offenders with special needs. Enhancements have been made to existing and replacement programs to ensure they are appropriate to the needs of Queensland offenders.

Replacement programs include a suite of sexual offending programs, a moderate intensity general offending program to replace the cognitive skills and anger management programs, a high intensity violent offending program, a suite of substance abuse programs and preparatory and maintenance programs.

To facilitate delivery of these programs, 360 training places have been used by departmental staff. Replacement programs have been progressively implemented, with 300 offender enrolments in the new programs commencing this year.

The department has developed and implemented an integrated transitions support model to better assist prisoners' resettlement in the community. The new approach provides more flexible and efficient transition assistance by combining the department's Transitions Program with coordinated access to a range of community-based service providers.

Prisoners received more than 25,000 teaching hours of nationally-accredited vocational education and training and more than 14,500 teaching hours of literacy and numeracy education. More than 2,000 prisoners were provided with assistance to gain and maintain employment post-release through the Post Release Employment Assistance Program, with 536 gaining employment in 2004-05. During the first nine months of 2005-06, 1,543 participants were registered, with 453 gaining employment.

The department seeks to ensure that prisoners and offenders participate in meaningful and valuable community service activities. Offenders undertaking community reparation work performed community service activities in approximately 800 work sites in 2005-06.

As a result of the damage inflicted by Cyclone Larry on the Innisfail area, a number of community service sites were destroyed. Community service workers were redirected to the rebuilding project to perform labouring and cleaning duties as required.

The transfer of the management and administration of the WORC program from the Wacol headquarters to three regional correctional facilities (Darling Downs, Capricornia and Townsville) has been a great success, and this continues to be a highly successful reintegration strategy with numerous benefits to both offenders and regional communities. An estimated total of more than 81,000 hours will have been worked by male and female offenders on the WORC program during the year.

The Concerned Persons Register Unit (established to provide timely and accurate information to registered victims of crimes of violence regarding the offenders who committed offences against them or their immediate family) forwarded 4,344 letters to registered victims and received 2,532 telephone calls from victims and the community for assistance and information.

Research into the specific needs of Indigenous offenders in relation to problem gambling intervention strategies was completed. Work has commenced on the development of rehabilitation strategies for problem gamblers in both custodial and community settings, including those in remote Indigenous communities. It is anticipated that these strategies will be developed and piloted in 2006-07, with a significant component being partnerships with community organisations for the delivery of services.

A formal study of the Offender Risk Needs Inventory, which is used to identify offenders' rehabilitation needs, was commenced in March 2006. The results of the study will enhance the department's capability to effectively target rehabilitation programs and services in accordance with an offender's risk of re-offending and intervention needs.

A strategy has been developed to promote opportunities for the department's prison-based industries and the private sector to collaborate on projects addressing known skills shortages in the community. These projects will provide prisoners with practical work experiences that, when combined with nationally-accredited training, will increase prisoners' opportunities to gain work following release from prison.

A drug strategy and associated implementation plan have been developed to guide the department's response to the issue of illicit drug use by offenders. The drug strategy enshrines a zero-tolerance approach to drugs within prisons and will address the links between drugs and crime by adopting an integrated approach to the dual challenges of minimising harm and reducing drug use by offenders.

A policy and action plan document relating to offenders with specific needs, including those with psychological/psychiatric disability, intellectual disability, the aged and the physically infirm, has been developed.

The department's first Multicultural Action Plan was released in November 2005. This plan seeks to address the diverse cultural needs of prisoners in correctional facilities as well as offenders serving community-based orders.

Development of a Memorandum of Understanding (MOU) between the department and the Department of Housing has progressed and will be finalised before the end of 2006. The agreement facilitates an integrated approach to the prevention of post-release homelessness and improves relationships with public housing organisations.

The department has also continued its partnership with the Department of Justice and Attorney-General reflecting a joint commitment to working collaboratively and cooperatively to enhance service delivery.

Future Developments

The department will clarify the priority placed on intervention services within its overall strategic agenda by developing a substantive policy statement entitled the *Offender Rehabilitation Policy and the Offender Rehabilitation Action Plan 2006-08*.

A planned revision of external services will provide new mechanisms to increase partnering with community organisations under the Transitions program and provide greater support to groups who work with offenders as part of pre-release planning and post-release support.

Offender Program Hubs will be established across the State as part of the new Probation and Parole Service in early 2006-07. Staff trained in the department's new state-of-the-art rehabilitation programs will also be responsible for ensuring that there is equitable access to programs through the innovative use of technologies such as videoconferencing.

Comprehensive evaluation of the department's rehabilitation programs will commence in order to ensure ongoing effectiveness. This will be assessed in terms of impact on re-offending rates and post-program changes in risk factors.

The department will partner with Griffith University in a three-year research project to prospectively examine child sex offender recidivism.

During the 2006-07 financial year, Queensland Health will make available an additional \$2.4 million for prisoner mental health services, which will include the provision of more mental health professionals as well as the engagement of non-government organisations to deliver throughcare services in the community.

Additional resources of \$0.58 million will also be allocated for the ongoing employment of health professionals at Wolston Correctional Centre to care for the increasing number of aged and infirm prisoners.

A new women's WORC facility will be established in North Queensland in 2007.

OUTPUT STATEMENT

Output: Correctional Intervention Services				
Measures	Notes	2005-06 Target/Est.	2005-06 Est. Actual	2006-07 Target/Est.
Quantity				
Financial value of Community Service work performed (court ordered)	1	\$7.4 million	\$6.5 million	\$7.4 million
Financial value of work performed in regional Queensland by prisoners from Low Security Facilities		\$1.0 million	\$1.2 million	\$1.0 million
Annual hours curriculum (AHC)	2			
Vocational Education and Training		168,000	168,000	168,000
Literacy/Numeracy		180,000	180,000	180,000
Program completions	3	New	New	
Sex offender programs				220
Transition support				1,500
Other programs				1,230
Prisoners employed	4	New		
Commercial industries			1,220	1,240
Prison services			1,770	1,800
Quality				
Hours of community service performed per offender per month		>12	11	>12
Participation rate in offender programs	5			
High Security Facilities		>0.50	N/A	Replaced
Low Security Facilities		>0.30	N/A	Replaced
Employment rate in commercial industries	6			
High Security Facilities		>0.35	0.31	Replaced
Low Security Facilities		>0.40	0.40	Replaced
Percentage of successful completions in Vocational Education and Training		70%	86%	75%
Location				
Number of community service project sites	7	1,200	800	800
Cost (\$)				
Correctional Intervention Services as a proportion of budget	8	11.8%	11.7%	11.8%
State Contribution (\$'000)		46,116	46,034	47,555
Other Revenue (\$'000)		13,694	12,793	11,352
Total Cost (\$'000)		59,810	58,827	58,907

Notes:

1. Financial value is calculated by taking the total number of community services hours performed in the period and then multiplying the number by \$15.00.
2. Annual Hours Curriculum (AHC) is calculated by multiplying the number of participants by the competency/module hours.
3. New measure for 2006-07. The measure focuses on the expected number of program completions rather than the number of enrolments in programs or "participation" in programs. That is, an offender has to complete the program for it to be counted in this measure.
4. New measure for 2006-07. The measure is calculated by averaging the number of prisoners employed during the year in the categories of commercial industries and prison services.
5. The participation rate in offender programs measure has been replaced by a quantity measure (see note 3). The programs counted in this measure, (Anger Management, Cognitive Skills and Substance Abuse: Preventing and Managing Relapse) have been replaced with improved programs, hence the estimated actual for 2005-06 is not reportable.
6. 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). This measure has been replaced by a quantity measure which also includes employment in prison services (see note 4).
7. This is a count of community service project sites where community service work was conducted during the year. The number of sites was rationalised in line with workplace health and safety reviews, and improving the focus on the quality of community service work.
8. Calculated by determining the proportion of output revenue allocated to this output.

Output Income Statement – Correctional Intervention Services

	Notes	2005-06 Budget \$'000	2005-06 Est. Act. \$'000	2006-07 Estimate \$'000
Income				
Output revenue	3,8	46,116	46,034	47,555
User charges	4,9	10,584	10,858	9,417
Grants and other contributions	1,5	3,110	1,935	1,935
Other Revenue		..	..	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		59,810	58,827	58,907
Expenses				
Employee expenses	6,10	36,867	36,565	38,896
Supplies and services	2,7,11	21,093	20,346	18,076
Grants and subsidies		..	176	198
Depreciation and amortisation		1,591	1,479	1,476
Finance/borrowing costs		..	..	..
Other expenses		259	261	261
Losses on sale/revaluation of property, plant and equipment and investments				
Total expenses		59,810	58,827	58,907
OPERATING SURPLUS/ (DEFICIT)		..	..	..

Notes:

Major Variations between 2005-06 Budget and 2005-06 Estimated Actual include:

1. Decrease is due to grants revenue being overstated for 2005-06 Budget.
2. Decrease is mainly due to cessation of prison industries and programs while the Sir David Longland Correctional Centre (CC) is undergoing redevelopment.

Major Variations between 2005-06 Budget and 2006-07 Estimate include:

3. Increase is mainly due to funding for Enterprise Bargaining and the full year effect of operating currently unused infrastructure at Brisbane Women's, Maryborough and Woodford correctional centres, partly off-set by Sir David Longland CC not being operational.
4. Decrease is predominantly due to the Sir David Longland CC industries not being operational during the redevelopment.
5. Decrease is due to grants revenue being overstated for 2005-06 Budget.
6. Increase is mainly due to funding for Enterprise Bargaining and the full year effect of operating currently unused infrastructure at Brisbane Women's, Maryborough and Woodford correctional centres, partly off-set by Sir David Longland CC not being operational.
7. Decrease is mainly due to the Sir David Longland CC not being operational, partly off-set by further commissioning and operation of facilities at Brisbane Women's, Maryborough and Woodford correctional centres.

Major Variations between 2005-06 Estimated Actual and the 2006-07 Estimate include:

8. Increase is mainly due to funding for Enterprise Bargaining and the full year effect of operating currently unused infrastructure at Brisbane Women's, Maryborough and Woodford correctional centres, partly off-set by Sir David Longland CC not being operational.
9. Decrease is predominantly due to the Sir David Longland CC industries not being operational during the redevelopment.
10. Increase is mainly due to funding for Enterprise Bargaining and the full year effect of operating currently unused infrastructure at Brisbane Women's, Maryborough and Woodford correctional centres, partly off-set by Sir David Longland CC not being operational.
11. Decrease is mainly due to the Sir David Longland CC not being operational, partly off-set by further commissioning and operation of facilities at Brisbane Women's, Maryborough and Woodford correctional centres.

CAPITAL ACQUISITIONS

The department has a total capital expenditure budget of \$236.9 million in 2006-07.

Significantly, the Budget includes \$157.4 million to continue with the capital works projects commenced in the 2005-06 financial year. These include:

- the construction of a new stand-alone women's correctional centre at Townsville
- the redevelopment of the Sir David Longland Correctional Centre
- the expansion of the Arthur Gorrie Correctional Centre.

In North Queensland, a total of \$130 million has been provided over three years (\$58.4 million in 2006-07) to construct a new 150-bed women's correctional centre on the existing Townsville Correctional Centre site. This new facility will enable women currently housed separately within the precinct of the male centre to be relocated to a stand-alone facility.

The Sir David Longland Correctional Centre redevelopment is underway and will provide South East Queensland with a reconfigured reception function at a total cost of \$110 million over three years (\$75.3 million in 2006-07). The expansion of the existing Arthur Gorrie Correctional Centre by 180 cells will continue at a total cost of \$55 million over three years (\$23.7 million in 2006-07) and provide the State with a specialised remand centre for the first time.

Following a planning process that was commenced and funded in 2005-06, \$59 million is allocated in 2006-07 to expand and upgrade facilities at the existing men's centre at Townsville. This project, which has a total cost of \$142.5 million over four years, will proceed in conjunction with the construction of the new women's correctional centre, which has resulted in savings in construction costs across the two projects.

The perimeter security upgrade program (\$30 million over five years) continues, following a first year of rigorous market testing and the commencement of roll-out in 2005-06. To continue this upgrading process, \$5.5 million is allocated in 2006-07.

In conjunction with the Department of Justice and Attorney-General, \$2.7 million is provided for a videoconferencing installation at the Brisbane Women's Correctional Centre, as well as the planning, design and construction of a similar suite at the Arthur Gorrie Correctional Centre.

Approved funding will finalise the following projects:

- lightning protection program (\$1.2 million)
- laundry processing at Townsville Correctional Centre (\$0.23 million)
- Capricornia Correctional Centre construction (\$0.22 million)
- mobile duress alarms at Lotus Glen and Arthur Gorrie correctional centres (\$0.52 million)
- additional security at Townsville Correctional Centre (\$0.04 million).

In 2006-07, \$8.3 million has been allocated for the procurement of minor works, plant and equipment.

CAPITAL ACQUISITION STATEMENT

	Notes	2005-06 Budget \$'000	2005-06 Est. Act. \$'000	2006-07 Estimate \$'000
<u>PROPERTY PLANT AND EQUIPMENT</u>				
Property Plant and Equipment				
Women's Correctional Centre (CC) at Townsville		3,500	5,073	58,427
Redevelopment of Sir David Longland CC	1	10,000	6,172	75,328
Expansion of Arthur Gorrie CC	1	3,000	4,217	23,683
Expansion of Townsville CC	1	3,200	3,200	59,000
Correctional Centre Lightning Protection	1	3,300	2,137	1,163
Perimeter Security Systems		11,850	12,360	5,490
Mobile Duress Alarms at Lotus Glen CC and Arthur Gorrie CC	1	1,400	881	519
Capricornia CC	2	2,600	..	220
Additional Security to the Townsville CC	3	300	1,413	36
Scanning and Handling Equipment at Secure Correctional Centre Laundries	1	763	407	232
Establishment of New Probation and Parole Service		..	..	1,500
Videoconferencing to External Locations		..	..	2,667
Expansion of Lotus Glen CC (planning)		1,500	1,500	..
Officer Stations at Woodford CC	3	880	698	..
Replacement of Cell Locks and Intercom System at Arthur Gorrie CC	3	780	909	..
Other acquisitions of property, plant and equipment		8,557	7,262	8,263
TOTAL PROPERTY PLANT AND EQUIPMENT		51,630	46,229	236,528
<u>OTHER CAPITAL ACQUISITIONS</u>				
Other Capital Acquisitions				
Integrated Offender Management System	4	..	24	380
Integrated Justice Information System		559	..	..
Other Items		..	..	..
TOTAL OTHER CAPITAL ACQUISITIONS		559	24	380
TOTAL CAPITAL ACQUISITIONS		52,189	46,253	236,908
<u>FUNDING SOURCES OF ACQUISITIONS</u>				
Equity Adjustment		11,410	4,930	195,373
Funding for depreciation and amortisation		42,076	39,000	41,535
Borrowings		..	..	..
Proceeds of asset sales		..	..	..
Other		(1,297)	2,323	..
TOTAL FUNDING SOURCES		52,189	46,253	236,908

Notes:

1. Program of expansion, redevelopment or upgrade of existing facilities.
2. Delays in demolition of the redundant sections of the old centre, which is expensed, are now overcome, leaving minor capital works to be completed in 2006-07.
3. Due to timing of work originally expected to be undertaken in 2004-05 being delayed until 2005-06.
4. Periodic upgrades to the system software.

**DEPARTMENTAL
FINANCIAL
STATEMENTS**

INCOME STATEMENT

	Notes	2005-06 Budget \$'000	2005-06 Est. Act. \$'000	2006-07 Estimate \$'000
Income				
Output revenue	1,8,13	389,233	393,038	402,226
User charges	9,14	10,586	10,861	9,417
Grants and other contributions	2,10	3,110	1,935	1,935
Other revenue		2,765	2,557	2,621
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		405,694	408,391	416,199
Expenses				
Employee expenses	3,11,15	219,413	216,389	237,355
Supplies and services	4,12,16	133,057	139,501	125,836
Grants and subsidies		707	883	905
Depreciation and amortisation	5,17	42,076	39,000	41,535
Finance/borrowing costs		..	..	..
Other expenses	6	10,441	13,453	10,568
Losses on sale/revaluation of property, plant and equipment and investments	7,18	..	12,911	..
Total expenses		405,694	422,137	416,199
OPERATING SURPLUS / (DEFICIT)		..	(13,746)	..

STATEMENT OF CHANGES IN EQUITY

	Notes	2005-06 Budget \$'000	2005-06 Est. Act. \$'000	2006-07 Estimate \$'000
Net effect of the adoption of a new accounting standard		1,461	(2,449)	..
Increase/ (decrease) in asset revaluation reserve	19,22	59,651	81,719	82,144
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		61,112	79,270	82,144
Surplus/ (deficit) for the period	20,24	..	(13,746)	..
Total recognised income and expense for the period		61,112	65,524	82,144
Equity injection/ (withdrawal)	21,23,25	11,410	4,930	195,373
Equity adjustments (MoG Transfers)		..	..	..
Total movement in equity for period		72,522	70,454	277,517

BALANCE SHEET

	Notes	2005-06 Budget \$'000	2005-06 Est. Act. \$'000	2006-07 Estimate \$'000
CURRENT ASSETS				
Cash assets	26,38	30,005	37,445	37,445
Receivables	27,39	6,939	6,274	6,274
Other financial assets		..	..	..
Inventories	28,40	4,289	3,443	3,443
Other	29,41	940	2,737	2,737
Non-financial assets held for sale		..	..	..
Total current assets		42,173	49,899	49,899
NON-CURRENT ASSETS				
Receivables		433	288	288
Other financial assets		200	216	216
Inventories		700	762	762
Property, plant and equipment	30,42,49	878,946	915,249	1,193,667
Intangibles	31	10,136	10,651	9,750
Other		..	..	..
Total non-current assets		890,415	927,166	1,204,683
TOTAL ASSETS		932,588	977,065	1,254,582
CURRENT LIABILITIES				
Payables	32,43	8,585	17,196	17,196
Accrued employee benefits	33,44	14,291	15,043	15,043
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	34,45	2,106	3,845	3,845
Total current liabilities		24,982	36,084	36,084
NON-CURRENT LIABILITIES				
Payables		..	(1)	(1)
Accrued employee benefits		2,789	3,196	3,196
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		2,789	3,195	3,195
TOTAL LIABILITIES		27,771	39,279	39,279
NET ASSETS (LIABILITIES)		904,817	937,786	1,215,303
EQUITY				
Capital/Contributed equity	35,46,50	283,875	276,575	471,948
Retained surplus/ (Accumulated deficit)	36,47	361,309	348,223	348,223
Reserves:				
- Asset revaluation reserve	37,48,51	259,633	312,988	395,132
- Other (specify)		..	..	..
TOTAL EQUITY		904,817	937,786	1,215,303

CASH FLOW STATEMENT

	Notes	2005-06 Budget \$'000	2005-06 Est. Act. \$'000	2006-07 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts	52,60,68	389,233	393,038	402,226
User charges	61,69	30,570	30,845	29,401
Grants and other contributions	53,62	3,110	1,935	1,935
Other		23,440	23,232	23,296
Outflows:				
Employee costs	54,63,70	(219,413)	(216,389)	(237,355)
Supplies and services	55,64,71	(153,732)	(160,176)	(146,511)
Grants and subsidies		(707)	(883)	(905)
Borrowing costs		(1)	(1)	..
Other	56,72	(30,425)	(33,437)	(30,552)
Net cash provided by/ (used in) operating activities		42,075	38,164	41,535
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	57,65,73	(52,189)	(46,253)	(236,908)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/ (used in) investing activities		(52,189)	(46,253)	(236,908)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	58,66,74	37,672	31,736	225,591
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(26,262)	(26,806)	(30,218)
Net cash provided by/ (used in) financing activities		11,410	4,930	195,373
Net Increase/ (decrease) in cash held		1,296	(3,159)	..
Cash at the beginning of financial year	59,67,75	28,709	40,604	37,445
Cash transfers from restructure		..	..	..
Cash at the end of financial year		30,005	37,445	37,445

INCOME STATEMENT

EXPENSES AND REVENUES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT	Notes	2005-06 Budget \$'000	2005-06 Est. Act. \$'000	2006-07 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines		1	..	..
Royalties, property income and other territorial revenue		..	..	..
Interest		..	..	..
Administered item revenue		..	..	..
Other	76	777	1	..
Total revenues		778	1	..
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		778	1	..
Transfers of Administered Revenue to Government		778	1	..
OPERATING SURPLUS/ (DEFICIT)		..	..	..

BALANCE SHEET

ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT	Notes	2005-06 Budget \$'000	2005-06 Est. Act. \$'000	2006-07 Estimate \$'000
CURRENT ASSETS				
Cash assets		..	..	..
Receivables	77	62	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		62	..	..
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		..	..	..
TOTAL ADMINISTERED ASSETS		62	..	..
CURRENT LIABILITIES				
Payables		..	..	..
Transfers to Government payable		62	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total current liabilities		62	..	..
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL ADMINISTERED LIABILITIES		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	2005-06 Budget \$'000	2005-06 Est. Act. \$'000	2006-07 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts		..	..	..
Grants and other contributions		..	..	..
Taxes, fees and fines		1	..	..
Royalties, property income and other territorial revenues		..	..	..
Other	78	777	57	..
Outflows:				
Transfers to Government		(778)	(57)	..
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 adopted Australian Equivalents to International Financial Reporting Standards (AEIFRS) 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 Government*.

With the introduction of AEIFRS, several Accounting Policy Guidelines (APGs) were amended to bring them into line with the new standards, and several additional policies were introduced to take effect on transition to AEIFRS. In particular, new asset recognition thresholds (contained in the Non-Current Asset Policies for the Queensland Public Sector), were introduced in the 2005-06 financial year and are effective from 1 July 2004. The 2005-06 Budget column in the financial statements does not reflect new asset recognition thresholds (consistent with the figures reported in the 2005-06 MPS), whilst the 2005-06 Est. Actual and 2006-07 Estimate columns do reflect new asset recognition threshold changes. Detailed notes are provided where these variances are significant.

Machinery of Government changes are reflected (if relevant) in recast estimates.

Income Statement

Major Variations between 2005-06 Budget and 2005-06 Estimated Actual include:

1. Increase is mainly due to additional costs associated with the Sir David Longland Correctional Centre (CC) redevelopment, extension of the Borallon CC management contract, and demolition work at Capricornia CC, partly off-set by commissioning funding for vacant beds at Maryborough and Woodford correctional centres, and some depreciation funding, not being required.
2. Decrease is due to grants revenue being overstated for 2005-06 Budget.
3. Decrease is attributed to a change in alignment between supplies and services and employee expenses, partly off-set by costs arising out of the Sir David Longland CC redevelopment.
4. Increase is mainly due to a change in alignment between supplies and services and employee expenses, costs arising out of the Sir David Longland CC redevelopment, the Borallon CC management contract extension and demolition work at the Capricornia CC, partly off-set by commissioning funding for vacant beds at Maryborough and Woodford correctional centres not being required.
5. Decrease is predominantly due to a reassessment of value of asset holdings.
6. Increase is mainly due to a change in the accounting for operating leases for office accommodation.
7. Increase is due to the write-off of assets associated with the redevelopment of Sir David Longland CC.

Major Variations between 2005-06 Budget and 2006-07 Estimate include:

8. Increase is mainly due to funding for Enterprise Bargaining, the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, implementation of court-ordered parole, Borallon CC contract extension, enhancement of court videoconferencing and the establishment of the new Probation and Parole Service, partly off-set by the transfer of funding for the Integrated Justice Information System (IJIS) to the Department of Justice and Attorney-General (JAG) and the Sir David Longland CC not being operational during its redevelopment.
9. Decrease is predominantly due to the Sir David Longland CC industries not operating during its redevelopment.
10. Decrease is due to grants revenue being overstated for 2005-06 Budget.
11. Increase is mainly due to funding for Enterprise Bargaining, full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, implementation of court-ordered parole, enhancement of court videoconferencing and the establishment of the new Probation and Parole Service, partly off-set by the Sir David Longland CC not being operational during its redevelopment.
12. Decrease is mainly due to the Sir David Longland CC not being operational during its redevelopment, and the commissioning of unused prison infrastructure being mainly completed in 2005-06, partly off-set by the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, implementation of court-ordered parole, Borallon CC contract extension, and the establishment of the new Probation and Parole Service.

Major Variations between 2005-06 Estimated Actual and the 2006-07 Estimate include:

13. Increase is mainly due to funding for Enterprise Bargaining, the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, implementation of court-ordered parole, Borallon CC contract extension, enhancement of court videoconferencing and the establishment of the new Probation and Parole Service, partly off-set by the Sir David Longland CC not being operational during its redevelopment.
14. Decrease is predominantly due to the Sir David Longland CC industries not operating during its redevelopment.
15. Increase is mainly due to funding for Enterprise Bargaining, the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, implementation of court-ordered parole, enhancement of court videoconferencing and the establishment of the new Probation and Parole Service, partly off-set by the Sir David Longland CC not being operational during its redevelopment.
16. Decrease is mainly due to the Sir David Longland CC not being operational during its redevelopment, partly off-set by the operation of 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, implementation of court-ordered parole, Borallon CC contract extension, enhancement of court videoconferencing and the establishment of the new Probation and Parole Service.
17. Increase represents depreciation expense for the anticipated revaluation of the department's capital assets, and the capitalisation of assets currently under construction.
18. Decrease is due to the one-off write-off of assets associated with the redevelopment of Sir David Longland CC occurring in the previous financial year.

Statement of Changes in Equity

Major Variations between 2005-06 Budget and 2005-06 Estimated Actual include:

19. The increase mainly represents the estimated indexation of the valuations of eligible assets in 2005-06.
20. The deficit mainly reflects the write-off of assets associated with the redevelopment of Sir David Longland CC.
21. Decrease for property, plant and equipment mainly reflects payments for new infrastructure not occurring as anticipated.

Major Variations between 2005-06 Budget and 2006-07 Estimate include:

22. The increase mainly represents the estimated indexation of the valuations of eligible assets at the end of 2005-06.
23. The increase in equity injection is due to major infrastructure projects, mainly the new women's prison at Townsville, and redevelopments/expansions at Sir David Longland, Townsville and Arthur Gorrie correctional centres.

Major Variations between 2005-06 Estimated Actual and the 2006-07 Estimate include:

24. The change reflects the deficit in the previous year due to the write-off of assets associated with the redevelopment of Sir David Longland CC.
25. The increase in equity injection is due to major infrastructure projects, mainly the new women's prison at Townsville, and redevelopments/expansions at Sir David Longland, Townsville and Arthur Gorrie correctional centres.

Balance Sheet

Major Variations between 2005-06 Budget and 2005-06 Estimated Actual include:

26. Increase mainly reflects the increase in payables, predominantly trade creditors.
27. Decrease is mainly attributable to an improvement in the time taken to recover receivables.
28. Decrease is predominantly due to the Sir David Longland CC not operating during its redevelopment.
29. Increase reflects timing differences in prepayments.
30. Increase is mainly due to a higher than expected asset indexation rate, partially off-set by write-offs resulting from the redevelopment of the Sir David Longland CC.
31. Increase reflects the finalisation of the Integrated Offender Management System (IOMS), partially off-set by the transfer of IJIS to JAG.
32. Increase mainly reflects the increase in trade creditors.
33. Increase is mainly due to the increased number of days of salary being unpaid at the end of the year.
34. Increase is mainly unearned grant revenue and other current liabilities.
35. Decrease reflects a reduced requirement for capital funding, and is mainly due to delays in the capital program.
36. Decrease is mainly attributable to the write-off of assets resulting from the redevelopment of the Sir David Longland CC.
37. Increase is due to higher than expected asset indexation rate.

Major Variations between 2005-06 Budget and 2006-07 Estimate include:

38. Increase mainly reflects the increase in payables, predominantly trade creditors.
39. Decrease is mainly attributable to an improvement in the time taken to recover receivables.
40. Decrease is predominantly due to the Sir David Longland CC not operating during its redevelopment.
41. Increase reflects timing differences in prepayments.
42. Increase is mainly due to greater than anticipated asset indexation rate in 2005-06, and capital expenditure associated with the redevelopment of the Sir David Longland CC, the expansion of Arthur Gorrie and Townsville correctional centres, and construction of the new women's correctional centre at Townsville.
43. Increase mainly reflects the increase in trade creditors.
44. Increase is mainly due to the increased number of days of salary being unpaid at the end of the year.
45. Increase is mainly unearned grant revenue and other current liabilities.

46. Increase reflects the Government contribution to capital expenditure associated with the redevelopment of the Sir David Longland CC, the expansion of Arthur Gorrie and Townsville correctional centres, and construction of the new women's correctional centre at Townsville.
47. Decrease is mainly attributable to the write-off of assets resulting from the redevelopment of the Sir David Longland CC.
48. Increase represents the anticipated effect of indexation of assets in 2005-06.

Major Variations between 2005-06 Estimated Actual and the 2006-07 Estimate include:

49. Increase is mainly due to capital expenditure associated with the redevelopment of the Sir David Longland CC, the expansion of Arthur Gorrie and Townsville correctional centres, and construction of the new women's correctional centre at Townsville.
50. Increase reflects the Government contribution to capital expenditure associated with the redevelopment of the Sir David Longland CC, the expansion of Arthur Gorrie and Townsville correctional centres, and construction of the new women's correctional centre at Townsville.
51. Increase mainly represents the anticipated effect of indexation of assets in 2006-07.

Cash Flow Statement

Major Variations between 2005-06 Budget and 2005-06 Estimated Actual include:

52. Increase is mainly due to additional costs associated with the Sir David Longland CC redevelopment, extension of the Borallon CC management contract, and demolition work at Capricornia CC, partly off-set by commissioning funding for vacant beds at Maryborough and Woodford correctional centres, and some depreciation funding, not being required.
53. Decrease is due to grants revenue being overstated for 2005-06 Budget.
54. Decrease is attributed to a change in alignment between supplies and services and employee expenses, partly off-set by costs arising out of the Sir David Longland CC redevelopment.
55. Increase is mainly due to a change in alignment between supplies and services and employee expenses, costs arising out of the Sir David Longland CC redevelopment, the Borallon CC management contract extension and demolition work at the Capricornia CC, partly off-set by commissioning funding for vacant beds at Maryborough and Woodford correctional centres, and some depreciation funding, not being required.
56. Increase is mainly due to a change in the accounting for operating leases for office accommodation.
57. Decrease for property, plant and equipment mainly reflects payments for new infrastructure not occurring as anticipated.
58. Decrease for equity injection reflects payments for infrastructure procurement not occurring as anticipated.
59. Increase reflects anticipated timing differences in receipts and payments.

Major Variations between 2005-06 Budget and 2006-07 Estimate include:

60. Increase is mainly due to funding for Bargaining, the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, implementation of court-ordered parole, Borallon CC contract extension, enhancement of court videoconferencing and the establishment of the new Probation and Parole Service, partly off-set by the transfer of IJIS funding to JAG and Sir David Longland CC not being operational during its redevelopment.
61. Decrease is predominantly due to the Sir David Longland CC industries not operating during its redevelopment.
62. Decrease is due to grants revenue being overstated for 2005-06 Budget.
63. Increase is mainly due to funding for Enterprise Bargaining, the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, implementation of court-ordered parole, enhancement of court videoconferencing and the establishment of the new Probation and Parole Service, partly off-set by the Sir David Longland CC not being operational during its redevelopment.
64. Decrease is mainly due to the Sir David Longland CC not being operational during its redevelopment, and the commissioning of unused prison infrastructure being mainly completed in 2005-06, partly off-set by the operation of 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, implementation of court-ordered parole, Borallon CC contract extension, and the establishment of the new Probation and Parole Service.
65. Increase in property, plant and equipment is mainly due to major infrastructure projects at Sir David Longland, Townsville and Arthur Gorrie correctional centres, and the new women's prison at Townsville.
66. Increase in equity injection is due major infrastructure projects, mainly the new women's prison at Townsville, and expansions/redevelopments at Sir David Longland, Townsville and Arthur Gorrie correctional centres.
67. Increase reflects anticipated timing differences in receipts and payments.

Major Variations between 2005-06 Estimated Actual and the 2006-07 Estimate include:

68. Increase is mainly due to funding for Enterprise Bargaining, the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, implementation of court-ordered parole, Borallon CC contract extension, enhancement of court videoconferencing and the establishment of the new Probation and Parole Service, partly off-set by the Sir David Longland CC not being operational during its redevelopment.
69. Decrease is predominantly due to the Sir David Longland CC industries not operating during its redevelopment.
70. Increase is mainly due to funding for Enterprise Bargaining, the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, implementation of court-ordered parole, enhancement of court videoconferencing and the establishment of the new Probation and Parole Service, partly off-set by the Sir David Longland CC not being operational during its redevelopment.

71. Decrease is mainly due to the full year effect of operating 148 beds at Woodford CC and 228 beds at Maryborough CC that were opened during 2005-06, the cost of operating a further 100 beds at Woodford CC, 72 beds at Maryborough CC and 24 beds at Brisbane Women's CC that will be opened in early 2006-07, implementation of court-ordered parole, Borallon CC contract extension, enhancement of court videoconferencing and the establishment of the new Probation and Parole Service, partly off-set by the cost of prison changes arising out of Sir David Longland CC redevelopment.
72. Decrease is mainly due to a change in the accounting for operating leases for office accommodation.
73. Increase is due to major infrastructure projects, mainly the new women's prison at Townsville, and expansions/redevelopments at Sir David Longland, Townsville and Arthur Gorrie correctional centres.
74. Increase in equity injection is due to major infrastructure projects, mainly the new women's prison at Townsville, and expansions/redevelopments at Sir David Longland, Townsville and Arthur Gorrie correctional centres.
75. Decrease reflects anticipated timing differences in receipts and payments.

Income Statement

Expenses and Revenues Administered on Behalf of the Whole of Government

76. Previous arrangements in place with the Commonwealth Department of Immigration and Multicultural Affairs have ceased.

Balance Sheet

Assets and Liabilities Administered on Behalf of the Whole of Government

77. Previous arrangements in place with the Commonwealth Department of Immigration and Multicultural Affairs have ceased.

Cash Flow Statement

Cash Flows Administered on Behalf of the Whole of Government

78. Previous arrangements in place with the Commonwealth Department of Immigration and Multicultural Affairs have ceased.

RECONCILIATION OF 2006-07 APPROPRIATION AMOUNTS TO THE FINANCIAL STATEMENTS

CONTROLLED

Income Statement

	\$'000
Output Revenue in Income Statement ¹	402,226
<i>Add:</i> Appropriation Funding for Outputs Receivable ^a	<u>..</u>
= Appropriation for Departmental Outputs	402,226
= Output Receipts in Cash Flow Statement ²	402,226

Balance Sheet

	\$'000
Closing balance Contributed Equity ³	471,948
<i>Less:</i> Opening Balance Contributed Equity ³	<u>276,575</u>
= Change in Contributed Equity in the Balance Sheet	195,373
<i>Add:</i> Appropriation Equity Injection Receivable ^b	..
<i>Less:</i> Non-appropriated Equity Adjustments ⁴	<u>..</u>
= Appropriation for Equity Adjustment ⁵	195,373
= Net Appropriated Equity Adjustment in Cash Flow Statement	195,373

1. This Output Revenue amount reconciles to the Output Revenue line in the Income Statement on page 3-34.
 2. This Output Revenue amount reconciles to the Output Receipts line in the Cash Flow Statement on page 3-36.
 3. The Contributed Equity amounts reconcile to the Contributed Equity line in the Balance Sheet on page 3-35.
 4. Non-appropriated equity adjustments relate to Machinery of Government changes, and 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 3-6.
- 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 2006-07 Estimate (\$'000)

	Notes	Total Corporate Services	Facility-based Containment Services	Community Supervision Services	Correctional Intervention Services
Income					
Output revenue		71,202	44,425	9,065	17,712
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		74,066	46,798	9,308	17,960
Expenses					
Employee expenses	2	30,031	17,204	4,642	8,185
Supplies and services		24,284	13,796	2,993	7,495
Grants and subsidies		806	800	3	3
Depreciation and amortisation		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		74,066	46,798	9,308	17,960
Full Time Equivalents		366	219	56	91

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.

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