



Queensland
Government

MINISTERIAL PORTFOLIO STATEMENT

2007-08 STATE BUDGET

**MINISTER FOR POLICE AND CORRECTIVE
SERVICES**

QUEENSLAND CORRECTIVE SERVICES

Hon. Judy Spence MP
Minister for Police and Corrective Services

Mr Frank Rockett
Director-General

AGENCY OVERVIEW

STRATEGIC ISSUES

Queensland Corrective Services (QCS) is a strategic partner in criminal and social justice and plays a key role in contributing to the Government priority of protecting our children and enhancing community safety. It achieves this through its principal activities of providing humane containment, supervision and interventions for offenders.

The services that QCS provides include:

- administering the *Corrective Services Act 2006*
- managing prisoners humanely in safe and secure environments
- delivering integrated intervention services that target offenders' assessed risks and criminogenic needs, and maximise their chances of rehabilitation
- providing advice and support to sentencing authorities
- providing administrative support to the independent Parole Boards
- supervising offenders in the community
- managing arrangements for offenders to make reparation to the community
- providing information to victims of crime.

In addition to these major responsibilities, during 2006-07 QCS has implemented a range of legislative and operational reforms designed to maximise community safety through appropriate containment, stringent supervision and best practice treatment and interventions for offenders.

Legislative Reform

The review of the *Corrective Services Act 2000* that commenced in 2004-05 culminated in the commencement of new corrective services legislation on 28 August 2006. With the introduction of the *Corrective Services Act 2006*, Queensland now has the most modern legislative base in Australia. The new legislation provides for the safe and humane containment, supervision and rehabilitation of offenders while ensuring the safety of the community and the staff who work in the correctional system.

Significantly the new legislation includes:

- a new security classification system for offenders in custody
- the abolition of remission and conditional release
- a new parole system which ensures that offenders are under supervision for the entire sentence imposed by a court
- the introduction of court-ordered parole for offenders serving short sentences for offences other than sex offences and serious violent offences
- a new parole board structure to provide for a Queensland Parole Board and two regional boards
- removal of an offender's ability to request judicial review of classification, transfer or placement decisions
- prohibitions on offenders in custody running businesses, changing their names without consent and applying for assisted reproductive technology

- greater recognition of victims' rights through the provision of information to victims of crime and allowing victims of crime to make submissions to Parole Boards.

Growth in Prisoner Numbers

In 2006, Queensland recorded the largest prison population in the State's history with further growth expected over the next decade. As a result of the continued growth in prisoner numbers, and in anticipation of future growth, QCS is currently undertaking a number of major infrastructure projects. These projects will enable QCS to continue to deliver on its commitment to the secure, safe and humane containment of prisoners.

This capital works program includes the redevelopment and refurbishment of the former Sir David Longland Correctional Centre, which will reopen as the Brisbane Correctional Centre, the expansion of the Arthur Gorrie Correctional Centre, the construction of a new correctional centre for women in Townsville and the expansion and redevelopment of the Townsville Correctional Centre. Master planning for a correctional precinct at Gatton has also commenced.

In recognition of the importance of conserving energy and water wherever possible, QCS is pursuing a range of options to save water and electricity in support of the Government's priority of protecting the environment for a sustainable future.

Court-ordered Parole

A key strategic element of the new legislation has been the introduction in 2006-07 of court-ordered parole, which requires offenders to serve 100% of their sentences either in a correctional centre or under supervision in the community. The strategy aims to divert short sentence offenders from custodial sentences and, in line with the Government's priority of safe communities, is not available to sex offenders or serious violent offenders. Offenders who fail to comply with their orders in the community may be returned to custody.

Probation and Parole Service

The introduction of the new Probation and Parole service in August 2006 has been one of the QCS's key achievements for the year and is part of a five-year \$57.5 million reform of the community corrections system. It delivers a tough and robust regime of assessment, supervision and surveillance of offenders, stronger links with the courts and the judiciary and a range of new rehabilitative programs to assist offenders to reintegrate into the community. Increased intervention capacity has been developed through the provision of dedicated program staff and delivery hubs to intervene with offending behaviours. The provision of dedicated intelligence officers for Probation and Parole and stringent surveillance and monitoring will ensure improved community safety.

The Probation and Parole service is also delivering on the QCS's commitment to addressing Indigenous over-representation in the offender population by establishing a sustainable presence in rural and remote Indigenous communities. During 2006, QCS established new Probation and Parole offices in the lower Gulf and Torres Strait region at Doomadgee, Mornington Island, Normanton and Thursday Island. For the first time, permanent officers provide local supervision and case management to offenders living in these communities. As a result of the Lower Gulf and Torres Strait strategy, there have been significant improvements in services offered to Aboriginal and Torres Strait communities in the form of improved supervision and access to rehabilitation programs that provide real sentencing alternatives to imprisonment where appropriate.

Managing a Diverse Prisoner Population

The growth in prisoner numbers is compounded by an increasing number of offenders presenting with multiple and complex needs. The changing and complex offender profile includes offenders with intellectual disabilities, cognitive impairments, mental health issues, psychological disorders and physical infirmities. QCS also continues to respond to offenders with problems resulting from substance and alcohol abuse.

QCS has implemented a number of programs to assist in the management of offenders with complex needs. Partnering with other government and non-government agencies has increased access to services for these offenders. In particular, increased access to mental health services, the implementation of the transitions program and new criminogenic programs have been key initiatives commenced during 2006-07.

Through-care

QCS is currently reforming its programs and services delivery model to provide an integrated offender management process that commences when offenders enter the correctional system and continues following their release into the community.

The revised transitions program has been introduced at all custodial centres to prepare offenders to reintegrate successfully into their communities after release. For offenders under community supervision, three program hubs have been established across the State to enhance delivery of programs to high risk offenders.

In order to improve the prospects of post-release employment for offenders, QCS is expanding its prison industries program, as well as providing vocational and educational training and a post-release employment program. Research shows that offenders participating in post-release employment who have undertaken vocational education and training (VET) whilst in custody are 13.8% less likely to return to the corrective services system.

Managing Sex Offenders Following Release

To ensure the protection of the community from dangerous sex offenders, the Government introduced the *Dangerous Prisoners (Sexual Offenders) Act* (DPSOA) in 2003. QCS is responsible for the management and strict supervision of sex offenders released by a court under conditions at the expiry of their sentence. In March 2007, electronic monitoring was introduced for offenders subject to supervision under the DPSOA to strengthen surveillance and protect the community.

Empowering Victims

The Queensland Corrective Services Victims Register began operating in August 2006. The new Register has a statutory basis and replaces the Concerned Persons Register. The Register plays a vital role in providing information to victims of violent and sexual offences. Under the new legislation, registered victims must be notified when an offender applies for parole and of their right to make a written submission to a Parole Board regarding the release of the offender.

2007-08 HIGHLIGHTS

The priority of QCS continues to be the secure containment and supervision of offenders. In addition, QCS will work in partnership with other agencies to foster safe communities by providing rehabilitation services to offenders. Key priorities for 2007-08 include:

Major Capital Projects (\$231 million)

- \$113.3 million to continue the \$142.5 million upgrade of the Townsville men's correctional centre
- \$50.4 million for the completion of construction of the new \$130 million stand-alone women's facility in Townsville, which will cater for the growth in the number of women prisoners
- \$19.9 million for the completion of the \$55 million expansion of Arthur Gorrie Correctional Centre, scheduled to open in December 2007
- \$44.3 million for the completion of the \$110 million redevelopment of the former Sir David Longland Correctional Centre, which will open as the Brisbane Correctional Centre in December 2007
- \$3 million to enable planning and design for the expansion of Lotus Glen Correctional Centre in Far North Queensland
- A breakdown of major capital works is available at page 3-29.

New Correctional Precinct (\$3.5 million)

- \$3.5 million for the planning and design of a correctional precinct in the Gatton district in response to the forecast growth in prisoner numbers

Perimeter Upgrades (\$7.7 million)

- \$7.7 million to continue the \$40 million upgrade of perimeter security at secure correctional centres across the State

Managing Sex Offenders Following Release (\$2.6 million)

- additional recurrent funding of \$1.86 million in 2007-08 (\$9.2 million over four years) to continue strengthening QCS's ability to supervise and manage sex offenders in the community
- \$4 million over four years from 2006-07 for electronic monitoring of sex offenders supervised under the DPSOA

Through-care (\$2 million)

- additional recurrent funding of \$772,000 in 2007-08 (\$4.4 million over four years) for the implementation of Probation and Parole programs
- additional recurrent funding of \$750,000 in 2007-08 (\$11.3 million over four years) for the progressive implementation of the 12-hour operational day to all secure correctional centres to enable more prisoners to work in prison-based industry and receive training
- additional recurrent funding of \$500,000 in 2007-08 (\$2.6 million over four years) on-going for external service provision to provide post-release support for prisoners transitioning into the community, bringing QCS's total investment in external service provision to \$1.1 million per year.

Probation and Parole Service for Indigenous Communities

- additional capital funding of \$500,000 is provided for the establishment of Probation and Parole services on Cape York, with additional recurrent funding of \$300,000 for the establishment of a service based at Weipa for the Weipa, Napranum, Mapoon, Lockhart areas. It will also service the Aurukun area until a service is established there.
- additional recurrent funding of \$100,000 is provided for the establishment of a Probation and Parole presence in the northern peninsula region, servicing Seisia, Umagico, Injinoo, Bamaga and New Mapoon.

Work Camps

- \$544,000 recurrent is provided for the operation of a permanent Work Camp at Innisfail for low security offenders, which was established in 2006 in response to the devastation caused by Cyclone Larry.
- \$350,000 recurrent is provided to operate a new Work Camp for low security female offenders at Bowen.

AGENCY OUTPUTS

The agency primarily contributes to the Government priority of protecting our children and enhancing community safety. To support this priority, QCS has structured its core business around three outputs: facility-based containment services, community supervision services and correctional intervention services.

Facility-based containment services operate a secure and humane custodial environment that provides for the safety of the community, staff and prisoners. Community supervision services maintain a balance between public safety and the supervision of offenders in the community. Correctional intervention services reduce re-offending by providing effective programs to assist in the rehabilitation of offenders.

The contribution of QCS'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	Protecting our children and enhancing community safety
Community Supervision Services	Protecting our children and enhancing community safety
Correctional Intervention Services	Protecting our children and enhancing community safety

DEPARTMENTAL FINANCIAL SUMMARY

	2006-07 Budget	2006-07 Est. Actual	2007-08 Estimate
	\$'000	\$'000	\$'000
CONTROLLED			
Income			
Output revenue	402,226	408,243	472,615
Own source revenue	13,973	15,382	14,403
Total income	416,199	423,625	487,018
Total expenses	416,199	423,818	487,018
Operating Surplus/(Deficit)	..	(193)	..
NET ASSETS	1,215,303	1,360,346	1,699,986

Note:
1. Explanations of variances are provided in the Explanation of Variances in the Financial Statements section and Output Statements of Financial Performance.

APPROPRIATIONS

	2006-07 Budget	2007-08 Estimate
	\$'000	\$'000
Controlled Items		
Departmental Outputs	402,226	472,615
Equity Adjustment	195,373	202,482
Administered Items	..	..
Vote Total	597,599	675,097

Note:
1. A reconciliation of appropriations to the Financial Statements follows the Financial Statements.

STAFFING¹

Output/Activity	Notes	2006-07 Est. Actual	2007-08 Estimate
OUTPUTS	2		
Facility-based Containment Services	3	2,048	2,413
Community Supervision Services		546	548
Correctional Intervention Services	4	504	661
Total		3,098	3,622
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 additional capacity in Townsville and South East Queensland.			
4. The increase is mainly due to commissioning of additional capacity, and increasing prison industry operations.			

2007-08 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	351,728	350,682	..	..	1,046
Community Supervision Services	61,315	61,315			
Correctional Intervention Services	73,975	60,618	11,422	..	1,935
Total	487,018	472,615	11,422	..	2,981
Notes:					
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 offenders 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 and low classification prisoners, keep offenders in a secure environment, providing protection for the community. Low security facilities assist in preparing low security classification prisoners to transition into the community. Offenders are accommodated in facilities commensurate with their assessed security classification and individual needs.

Offenders 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 offenders' progress in addressing their offending behaviour.

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

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

Safety and Security

QCS has maintained its record of no escapes from secure custody since 1998. Perimeter security is of paramount importance and in 2006-07 the maintenance and upgrade of the perimeter security systems in secure correctional facilities continued.

In other security-related measures, QCS has:

- implemented a new security classification system
- redefined the roles and functions of the dog squad in order to provide greater support to correctional facilities
- established a new Escort and Security Branch
- increased the use of videoconferencing between correctional centres and the courts to minimise the need to transport prisoners to court hearings.

Expansion of Facilities

During 2006 QCS continued to progress its infrastructure program. Work continues on the development of the new 540-bed Brisbane Correctional Centre, which will open in December

2007 to provide specialist reception facilities for south-east Queensland. The centre will feature state-of-the-art perimeter security, including computerised security management systems, surveillance cameras, recorders, perimeter intrusion detection systems, x-ray machines and drug detection scanners. The expansion of Arthur Gorrie Correctional Centre by an additional 180 beds and conversion to a full remand centre for south-east Queensland continues.

QCS also commenced negotiations with local councils and communities in order to identify a site for a new correctional precinct in the Gatton area. Planning for a women's correctional centre and a men's correctional centre is currently underway, with a final master plan expected to be available in late 2007.

A new 150-bed women's correctional centre, comprising secure cells and residential areas, is under construction in Townsville. The existing men's centre will be redeveloped to provide 140 additional cells and upgraded facilities.

Work Camps

Work camps are operated in regional and remote Queensland to provide an opportunity for low security offenders to make reparation to the community. Following the devastating effects of Cyclone Larry in north Queensland, a temporary Work Camp at Innisfail was established to assist the relief effort.

Water and Energy Efficiency

Water Efficiency Management Plans covering a range of measures, including rainwater harvesting, have been prepared for the six correctional centres in south-east Queensland. Where the surrounding building infrastructure allows, QCS is replacing old fittings with more efficient units on toilets, urinals, showers and taps, upgrading washing machines and implementing water efficiency education programs.

Energy efficiency measures introduced at Lotus Glen Correctional Centre will result in annual savings of more than 300,000 kilowatt-hours and almost 5,000 gigajoules of liquefied petroleum gas. This reduction saves approximately 600 tonnes of carbon dioxide being generated annually, which is equivalent to the energy consumption of 59 average households.

Future Developments

Expansion of Facilities

A total of \$228 million in capital funding is provided for major capital works in 2007-08. The Brisbane Correctional Centre, which is allocated \$44.3 million, will open in December 2007, as will the additional offender accommodation at Arthur Gorrie Correctional Centre, which is allocated \$19.9 million.

Work on Townville's correctional centres is due for completion during 2008. The new women's facility is allocated \$50.5 million ahead of its expected completion in April 2008. The upgrade of the men's facility is allocated \$113.3 million, and is expected to be completed in 2008-09.

Planning for the expansion of Lotus Glen Correctional Centre will proceed with an additional \$3 million provided for new capacity to accommodate 300 more offenders.

In line with the ongoing need to manage a growing prisoner population, funding of \$3.5 million has been allocated to continue the planning work commenced in 2006-07 for the establishment of a correctional precinct in the Gatton district.

Security

Security will be further enhanced with the continued upgrade of perimeter security at secure correctional centres, which is allocated \$7.7 million for 2007-08. Videoconferencing services will be expanded to enable prisoners to participate in Court hearings without leaving the custodial environment.

Work Camps

Recurrent funding of \$544,000 is provided for the Innisfail Work Camp, established following Cyclone Larry, which will become permanent this year. The new Work Camp for women at Bowen is allocated recurrent funding of \$350,000. The Camp at Bowen will enable low security female offenders from north Queensland to make reparation to the community.

Water and Energy Efficiency

QCS will contribute to a sustainable Queensland environment by:

- manufacturing water tanks at Woodford Correctional Centre in partnership with the private sector. Tenders will be invited to enable this partnership to be formed
- introducing energy efficiency measures in areas such as lighting and air conditioning at Woodford, the new Brisbane Correctional Centre and inviting proposals for similar initiatives at Wolston and Brisbane Women's correctional centres
- installing power and water saving devices in the laundry at the new Brisbane Correctional Centre
- investigating the feasibility of rainwater and stormwater harvesting at Brisbane Correctional Centre and all other major south-east Queensland centres.

OUTPUT STATEMENT

Output: Facility-based Containment Services				
Measures	Notes	2006-07 Target/Est.	2006-07 Est. Actual	2007-08 Target/Est.
Quantity				
Number of male prisoners	1			
High Security Facilities	2	4,420	4,500	4,800
Low Security Facilities	3	745	700	750
Number of female prisoners	1			
High Security Facilities	2	300	330	360
Low Security Facilities	3	80	85	90
Indigenous status (proportion)				
Male prisoners indigenous		26%	26.9%	26%
Male prisoners non-indigenous		74%	73.1%	74%
Female prisoners indigenous		27%	28.8%	27%
Female prisoners non-indigenous		73%	71.2%	73%
Short sentence profile				
Proportion of prisoners with sentence <= 1 yr (non-violent, non-sexual offenders)	4	40%-45%	42%	39%-43%
Proportion of prisoners with sentence <= 1 yr (all sentenced prisoners)	4	28%-32%	26.8%	25%-29%
Quality				
Escape rate	5			
High Security Facilities		0	0	0
Low Security Facilities		0	0.9	0
Abscond rate	6			
Low Security Facilities		0.8	0.4	0.4
Assault rate – Major (prisoner on staff)	7			
High Security Facilities		0	0	0
Low Security Facilities		0	0.1	0
Assault rate – Minor (prisoner on staff)	7			
High Security Facilities		<1.2	1.0	<1.2
Low Security Facilities		0	0	0
Assault rate – Major (prisoner on prisoner)	7			
High Security Facilities		<0.9	0.6	<0.9
Low Security Facilities		0	0.1	0
Assault rate – Minor (prisoner on prisoner)	7			
High Security Facilities		<6.6	4.6	<6.6
Low Security Facilities		<1.8	2.5	<1.8
Death rate (unnatural cause only)	8			
High Security Facilities		0	0.04	0
Low Security Facilities		0	0	0

Timeliness				
Completion of immediate risk needs on day of admission	9	100%	97%	100%
Completion of offender management plan reviews (OMPRs)	10	100%	96%	100%
Cost (\$)				
Cost of containment per prisoner per day	11	\$149.06	\$149.03	\$160.02
State Contribution (\$'000)		301,889	305,646	350,682
Other Revenue (\$'000)		2,621	2,215	1,046
Total Cost (\$'000)		304,510	307,861	351,728

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. 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.
5. Number of escapes divided by the annual average daily state for each facility type multiplied by 100.
6. Number of absconds divided by the annual average daily state for facility type multiplied by 100.
7. 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.
8. Number of unnatural cause deaths divided by the annual average daily state for each facility type multiplied by 100.
9. Number of risk needs assessments completed on day of admission divided by the number of offenders admitted expressed as a percentage completed.
10. Number of offender management plan reviews completed by the due date divided by the number of reviews to be due expressed as a percentage completed.
11. Calculated by dividing the State contribution by the annual average daily state divided by 365.25.

Output Income Statement – Facility-based Containment Services

	Notes	2006-07 Budget \$'000	2006-07 Est. Act. \$'000	2007-08 Estimate \$'000
Income				
Output revenue	1,6,12	301,889	305,646	350,682
User charges		..	..	..
Grants and other contributions		..	..	..
Other Revenue	7,13	2,621	2,215	1,046
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		304,510	307,861	351,728
Expenses				
Employee expenses	2,8,14	159,785	145,553	166,833
Supplies and services	3,9,15	98,059	121,075	133,909
Grants and subsidies		673	673	690
Depreciation and amortization	10,16	37,683	37,713	47,241
Finance/borrowing costs		..	..	..
Other expenses	4,11	8,310	3,040	3,055
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		304,510	308,054	351,728
OPERATING SURPLUS/ (DEFICIT)	5	..	(193)	..

Notes:

Major variations between 2006-07 Budget and 2006-07 Estimated Actual include:

1. Increase is mainly due to funding being provided for the establishment of a Work Camp at Innisfail, investigations related to the establishment of a prison precinct in the Gatton area, increased insurance premiums and changed arrangements for the retention of bank interest by the agency.
2. Decrease is mainly due to a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, partially offset by funding being provided for the establishment of a Work Camp at Innisfail.
3. Increase is mainly due to a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, and by funding being provided for the establishment of a Work Camp at Innisfail, and investigations related to the establishment of a prison precinct in the Gatton area.
4. Decrease is mainly due to a realignment of the budgets between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, offset by increased insurance premiums.
5. The deficit reflects the utilisation of retained surpluses to complete the implementation of energy efficiency measures at Lotus Glen Correctional Centre

Major variations between 2006-07 Budget and 2007-08 Estimate include:

6. The increase is mainly due to Enterprise Bargaining outcomes, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, the establishment of a Work Camp at Innisfail, and increased insurance premiums.
7. Decrease reflects the changed arrangements for the retention of bank interest by the agency.
8. The increase is mainly due to Enterprise Bargaining outcomes, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, and the establishment of a Work Camp at Innisfail, offset to some extent by a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items.
9. The increase is mainly due to the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, and the establishment of a Work Camp at Innisfail, as well as a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items.
10. The increase is due to the completion of new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre.
11. Decrease is mainly due to a realignment of the budgets for the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, offset by increased insurance premiums.

Major variations between 2006-07 Estimated Actual and the 2007-08 Estimate include:

12. The increase is mainly due to Enterprise Bargaining outcomes, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, and a full year of operating the new Work Camp at Innisfail.
13. Decrease reflects the changed arrangements for the retention of bank interest by the agency.
14. The increase is mainly due to Enterprise Bargaining outcomes, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, and a full year of operating the new Work Camp at Innisfail.
15. The increase is mainly due to the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, and a full year of operating the new Work Camp at Innisfail.
16. The increase is due to the completion of new expanded correctional infrastructure at Townsville women's and men's, the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre.

OUTPUT PERFORMANCE

OUTPUT: **Community Supervision Services**

RELATED OUTCOME: **Safe and Secure Communities**

DESCRIPTION

This output provides for the supervision of offenders on community-based orders and parole. Their supervision comprises:

- induction and assessment services to assess the needs of individual offenders, determine the best programs to meet those needs and provide assessments and reports for the courts, parole boards and sentence management
- offender management services to focus on supporting offenders to develop skills and avoid re-offending, with the highest risk offenders being supervised by the most experienced staff
- compliance and surveillance services to respond to any failures by offenders to comply with the conditions of an order, liaise with the courts and to apply random surveillance measures that deter offenders from re-offending.

Following the introduction of the *Corrective Services Act 2006*, the Community Corrections Boards were restructured and renamed. The restructure resulted in the establishment of one state-wide board, the Queensland Parole Board, and two regional parole boards.

The Queensland Parole Board operates as a specialist board to ensure expertise in dealing with the most serious offenders including sex offenders and serious violent offenders with sentences of eight years and over. The President of the Queensland Parole Board is also the President of the regional boards, thus promoting consistency in decision-making and practice. The Central and Northern Queensland Regional Board is based in Townsville and has jurisdiction over parole applications from Maryborough to Cape York. The Southern Queensland Regional Parole Board sits in Brisbane and has jurisdiction over applications from South-East Queensland. Both regional boards have a Deputy-President and membership from across the State.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

Probation and Parole Service

The new Probation and Parole service commenced in August 2006 and provides a regime of tough supervision and compliance measures, and stronger links with the courts and judiciary. An additional 76 Probation and Parole staff were recruited to enhance QCS's supervision of offenders in the community, and 135 existing positions were upgraded.

The new Probation and Parole service provides significant benefits in terms of maximising community safety as its specialist staff are able to focus on identifying the risk of re-offending and intervene when necessary.

A significant component of the new Probation and Parole service is the increase from four to eight regions to align with those of the Queensland Police Service (QPS). This alignment provides the foundation for stronger coordination between Corrective Services and QPS. For the first time, intelligence officers have been employed to strengthen the surveillance and intelligence networks that monitor community-based offenders.

The implementation of the Probation and Parole service has strengthened the supervision of sex offenders. Surveillance and monitoring of DPSOA offenders was enhanced during the year with the introduction of electronic monitoring.

QCS has also continued with the upgrade of office facilities to accommodate staff supervising offenders in the community. New premises have been opened at Townsville, Logan, Beenleigh, Pine Rivers and Brisbane South and the existing premises at Mt Isa were significantly refurbished.

Probation and Parole offices were also opened in the Aboriginal and Torres Strait Islander communities of Doomadgee, Mornington Island, Normanton and Thursday Island. This has resulted in an increase in the number of Indigenous offenders being supervised in the community and initial indications are that the expansion of the Probation and Parole service into these areas has provided an effective alternative to custody for Courts to consider at sentencing.

As part of this initiative, QCS has established a unit dedicated to providing an interface with the judiciary. The Judicial Liaison Unit commenced operation in October 2006.

A New Parole System

The *Corrective Services Act 2006*, which commenced in August 2006, abolished remission and conditional release and introduced parole as the only form of early release for all offenders. The abolition of administrative forms of release supports the principle that the point at which an offender is released should be determined by either the sentencing court or an independent Parole Board.

Court-ordered parole is a sentencing scheme for offenders who have been sentenced to short periods of imprisonment who are not serious violent offenders or sex offenders. Court-ordered parole provides that the court will determine how much time an offender is required to spend in custody and under supervision in the community. Under the new parole system offenders serve the full term of their sentence either in custody or under community supervision.

The introduction of court-ordered parole supports the Government's commitment to protecting community safety by ensuring that offenders who are released prior to their full-time discharge date are subject to supervision by QCS until the expiry of their sentence. The implementation of court-ordered parole and a new Parole Board structure has resulted in an increase in the number of offenders on supervised release. The new Probation and Parole service closely monitors offenders subject to parole, and offenders may be returned to custody for the protection of the community if they fail to comply with the conditions of their parole order.

Future Developments

Expansion of Probation and Parole Service

QCS will continue to focus on enhancing community safety through the on-going development of the new Probation and Parole service. The Probation and Parole office at Ipswich will be refurbished to accommodate new staff and a new office will be opened at Mt Gravatt.

In line with the recognised need to reduce the number of Indigenous people held in Queensland's correctional centres, additional capital funding of \$500,000 has been allocated for the establishment of Probation and Parole services on Cape York. Additional recurrent funding of \$300,000 is provided for the establishment of a service based at Weipa to service the Weipa, Napranum, Mapoon and Lockhart areas, as well as the Aurukun area prior to a service being established there.

Additional recurrent funding of \$100,000 is provided for the establishment of a Probation and Parole presence in the northern peninsula region, servicing Seisia, Umagico, Injinoo, Bamaga and New Mapoon.

Managing Sex Offenders Following Release

An additional \$9.2 million over four years is provided for specialised assessment, surveillance, supervision and treatment of offenders subject to the provisions of the *Dangerous Prisoners (Sexual Offenders) Act*. This is supplemented by funding of \$4 million over four years from 2006-07 for electronic monitoring of sex offenders under the DPSOA. Probation and Parole staff will be trained in the specialised assessment of sexual offenders, and in particular those subject to DPSOA orders.

OUTPUT STATEMENT

Output: Community Supervision Services				
Measures	Notes	2006-07 Target/Est.	2006-07 Est. Actual	2007-08 Target/Est.
Quantity				
Number of male offenders on orders (distinct count)				
Supervision orders				
Probation Orders	1	6,260	6,360	6,300
Parole Orders	1	920	850	800
(excluding court ordered)				
Court Ordered Parole Orders	1,2	100	500	1500
Intensive Correction Orders	1,3	570	490	550
Intensive Drug Rehabilitation Orders	4	130	110	130
Reparation orders				
Community Service Orders	1,5	1,520	1,480	1,400
Fine Option Orders	1,5	1,100	780	750
Number of female offenders on orders (distinct count)				
Supervision orders				
Probation Orders	1	1,780	1,790	1,800
Parole Orders	1	85	80	75
(excluding court ordered)				
Court Ordered Parole Orders	1,2	20	70	200
Intensive Correction Orders	1,3	100	85	100
Intensive Drug Rehabilitation Orders	4	25	20	25
Reparation orders				
Community Service Orders	1,5	465	400	380
Fine Option Orders	1,5	420	340	320
Indigenous status (proportion)				
Male offenders Indigenous		18%	17%	18%
Male offenders non-Indigenous		82%	83%	82%
Female offenders Indigenous		21%	23%	21%
Female offenders non-Indigenous		79%	77%	79%
Number of Courts to which advisory services delivered		111	111	111
Quality				
Percentage of successfully completed orders				
Supervision orders				
Probation Orders	6,7	>69%	60%	>65%
Parole Orders	6,7	>73%	66%	>70%
(excluding court ordered)				
Court Ordered Parole Orders	6,7	>73%	62%	>65%
Intensive Correction Orders	6,7	>68%	57%	>65%
Intensive Drug Rehabilitation Orders	6,7	>25%	20%	>25%

Reparation orders				
Community Service Orders	6,7	>69%	58%	>65%
Fine Option Orders	6,7	>75%	66%	>70%
Timeliness				
Completion of offender management plan reviews (OMPRs) – urban service locations	8	100%	86%	100%
Completion of offender management plan reviews (OMPRs) – remote service locations	8,9	50%	86%	80%
Location				
Number of Area Offices		34	34	34
Number of Reporting Centres		106	106	106
Cost (\$)				
Cost of supervision per offender per day	10	\$10.71	\$11.22	\$11.71
State Contribution (\$'000)		52,782	54,721	61,315
Other Revenue (\$'000)		..	..	..
Total Cost (\$'000)		52,782	54,721	61,315
Notes:				
1. Estimated actual offender numbers for 2006-07 are derived by averaging the number of offenders on orders at the end of the each month to March 2007.				
2. The Court-ordered Parole order has replaced early release and discharge arrangements and ensures that all offenders fully complete the orders of the court either in custody or on parole. The 2006-07 estimated actual result reflects the rapid adoption of this sentencing option with this level of growth forecast to continue into 2007-08.				
3. The 2006-07 estimated actual result for the number of Intensive Correction Orders has been impacted by the availability of Court-ordered Parole as an alternative sentencing option.				
4. Intensive Drug Rehabilitation Order numbers were affected by a reduction in new referrals.				
5. The number of offenders on both Community Service orders and Fine Option orders has continued to decline following the introduction of the State Penalties Enforcement Register.				
6. Calculated as the number of successfully completed orders divided by the completed orders (successful or otherwise) for each category and expressed as a percentage.				
7. The Probation and Parole model provides a stronger focus on compliance which has had an impact on the successful completion of orders. It is expected that the percentage of successful completions will improve from 2006-07 estimated actual results as the agency's diversion strategy is progressed.				
8. Number of offender management plan reviews completed by the due date divided by the number of reviews to be due expressed as a percentage completed. Information for 2006-07 estimated actual is provided as a whole-of-agency result for both urban and remote locations as separation of these results is not available from agency information systems.				
9. Contact with offenders in remote locations is less frequent hence the target for offender management plan reviews is lower than that for urban locations.				
10. Calculated by dividing the State contribution by the estimated average number of offenders divided by 365.25.				

Output Income Statement – Community Supervision Services

	Notes	2006-07 Budget \$'000	2006-07 Est. Act. \$'000	2007-08 Estimate \$'000
Income				
Output revenue	1,5,10	52,782	54,721	61,315
User charges		..	..	..
Grants and other contributions		..	..	..
Other Revenue		..	..	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		52,782	54,721	63,315
Expenses				
Employee expenses	2,6,11	38,674	36,877	41,702
Supplies and services	3,7,12	9,701	14,490	15,588
Grants and subsidies		34	34	35
Depreciation and amortization	8,13	2,376	2,376	3,043
Finance/borrowing costs		..	..	..
Other expenses	4,9	1,997	944	947
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		52,782	54,721	61,315
OPERATING SURPLUS/ (DEFICIT)		..	..	..

Notes:

Major variations between 2006-07 Budget and 2006-07 Estimated Actual include:

1. Increase is mainly due to funding being provided for managing offenders released into the community who are subject to the *Dangerous Prisoners (Sexual Offenders) Act 2003* (DPSOA), and the electronic monitoring of sex offenders in the community.
2. Decrease is mainly due to a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, offset by increased costs of managing offenders released into the community who are subject to the DPSOA and the electronic monitoring of sex offenders in the community.
3. Increase is mainly due to a budget realignment between the expenditure categories Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, and by increased costs of managing offenders released into the community who are subject to the DPSOA and the electronic monitoring of sex offenders in the community.
4. Decrease is mainly due to a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, offset by increased insurance premiums.

Major Variations between 2006-07 Budget and 2007-08 Estimate include:

5. The increase is mainly due to Enterprise Bargaining outcomes, the full year of operation of the new Probation and Parole Service, funding for of the management of offenders released into the community who are subject to the DPSOA, and the electronic monitoring of sex offenders in the community.
6. The increase is mainly due to Enterprise Bargaining outcomes, the full year of operation of the new Probation and Parole Service, the cost of managing offenders released into the community who are subject to the DPSOA, and the electronic monitoring of sex offenders in the community, offset to some extent by a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items.
7. The increase is mainly due to the full year of operation of the new Probation and Parole Service, the cost of managing offenders released into the community who are subject to the DPSOA, and the electronic monitoring of sex offenders in the community, as well as a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items.
8. The increase is due to the completion of new infrastructure associated with the Probation and Parole Service.
9. Decrease is mainly due to a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, offset by increased insurance premiums.

Major Variations between 2006-07 Estimated Actual and the 2007-08 Estimate include:

10. The increase is mainly due to Enterprise Bargaining outcomes, the full year of operation of the new Probation and Parole Service, the cost of a full year of managing offenders released into the community who are subject to the DPSOA, and a full year of electronic monitoring of sex offenders in the community.
11. The increase is mainly due to Enterprise Bargaining outcomes, the full year of operation of the new Probation and Parole Service, the cost of a full year of managing offenders released into the community who are subject to the DPSOA, and a full year of electronic monitoring of sex offenders in the community.
12. The increase is mainly due to the full year of operation of the new Probation and Parole Service, the cost of a full year of managing offenders released into the community who are subject to the DPSOA, and a full year of electronic monitoring of sex offenders in the community.
13. The increase is due to the completion of new infrastructure associated with the 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 level of risk to the community and criminogenic needs, and are targeted for therapeutic programs and other interventions to address factors associated with their offending behaviour and to reduce the risk of re-offending.

In correctional facilities, offenders are assessed in relation to their educational, employment, vocational training and behavioural program requirements. Health and medical services are also provided.

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

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

Program Delivery

In order to improve the delivery of a through-care model of offender intervention and support, QCS initiated a reform process to analyse and improve its program and service delivery processes.

The review examined research and practices from international and other Australian jurisdictions, and consultations were held with external stakeholders and operational staff throughout the State. The review recommended improvements in offender management practices that will result in a reduction in recidivism, better integration of services between custodial and community settings, and enhanced offender reintegration.

The revised transitions program has been introduced at all custodial centres to prepare offenders to reintegrate successfully into their communities after release.

External Service Providers

During 2006, QCS reviewed the way it manages its partnerships with external, non-government service providers to ensure that external services deliver appropriate support to offenders transitioning to the community.

As a result of the review, QCS implemented a procurement process in early 2007 for the provision of transport services for families to enable offenders to receive family visits and maintain supportive links with their community.

Offender Assessment Tools

In order to more accurately predict an offender's risk of re-offending, QCS has collaborated with Griffith University to develop a new risk assessment tool, the Risk of Re-offending screening assessment tool. This tool can be used to assess all offenders for risk of general re-offending, and identify higher risk offenders for further detailed assessments such as the Offender Risk Needs Inventory – Revised (ORNI-R).

Program Hubs

Offender Programs Hubs at Brisbane Central, Southport and Townsville were established during the year to service Probation and Parole District Offices. Program hubs deliver sexual and general offending programs to offenders under community supervision to reduce the risk of re-offending.

Treatment of Sexual Offenders

The effective treatment of sexual offenders is a high priority for the QCS. Staff training in assessment and delivery continues to focus on world's best practice with three staff recently endorsed as Australia's first Train-the-Trainers in the area of specialised assessment of sexual offenders.

In 2006-07, QCS conducted 200 specialised assessments of sexual offenders in correctional centres as the basis for referring prisoners to appropriate sexual offending programs. These programs include preparatory programs, high intensity sexual offending programs, moderate intensity sexual offending programs, culturally appropriate indigenous high intensity and moderate intensity sexual offending programs and maintenance programs. There were 230 program completions achieved this year, with 48 offenders currently participating in a sexual offending program.

Health Services

Responsibility for the delivery of offender health services currently resides with QCS, in close partnership with Queensland Health. Following a recent review of offender health service delivery, QCS will transfer responsibility for offender health services to Queensland Health, to ensure that the complex health needs of a growing offender population will continue to be addressed in the future. A transition team has been established to progress this transfer.

In response to the increasing number of aged and infirm prisoners at Wolston Correctional Centre, occupational therapists and a senior adviser in nutrition and dietetics have been employed by QCS to deliver health services.

Mental Health Services

In collaboration with the Prison Mental Health Service, QCS commenced planning for a prisoner transitions program in south-east Queensland to support prisoners with high risk mental health issues back into the community. A tender has been awarded to support prisoners who have received treatment from the Prison Mental Health Service, and who will continue to receive mental health services within the community. The aim of the service will be to reduce re-offending by maintaining continuity of mental health treatment through the period of an offender's transition from custody to the community.

Drug Strategy

QCS's drug strategy provides a comprehensive focus on preventing the supply of illicit drugs within correctional centres.

During 2006 a total of 8,314 offenders were tested for illicit drug use in Queensland correctional centres. Offenders were subject to 2,684 random and 5,630 targeted drug tests. Random testing of offenders in custody is conducted four times a year and as a result of new legislation, disciplinary action will now be commenced as a result of a positive test.

Passive Alert Drug Detection Dogs are used extensively to monitor visitors to offenders and detect the introduction of illicit drugs into all Queensland corrective services facilities. Active Alert Drug Detection Dogs are also used to search for illicit drugs both within and outside of corrective services facilities. The QCS Dog Squad currently has 74 dogs in service, making it the largest dog squad in the nation.

An ongoing program of training for intelligence staff has resulted in enhanced drug detection through intelligence gathering and exchange of information between law enforcement agencies.

Queensland Corrective Services Intelligence Group (QCSIG) has been involved in a number of successful joint operations with other law enforcement agencies, including Queensland Police Service, resulting in the detection and seizure of drugs intended for importation into correctional facilities. QCSIG also monitors new and emerging drug trends and identifies threats likely to impact on the security and good order of correctional facilities.

Other initiatives introduced under QCS's drug strategy include:

- the implementation of intensive and medium intensity drug and alcohol treatment programs, and the addition of an addictions module to the Transitions program
- the introduction of an Indigenous Peer Education program at Lotus Glen Correctional Centre
- the addition of an addictions module to the transitions program to help prisoners remain drug-free after release
- the implementation of intensive and medium intensity drug and alcohol treatment programs
- the replacement of Ionscan devices with Itemiser narcotics and explosives trace detection devices in all secure facilities.

Work Readiness

During the past year, the Post-Release Employment Assistance Program (PREAP) assisted offenders to gain and maintain employment after their release from custody. An external evaluation of the program conducted during the year found it was successful in helping ex-prisoners gain employment, provided a substantial cost benefit for each dollar spent, and reduced the recidivism rate of participating prisoners by 6.9%. It also found that prisoners participating in PREAP and in vocational education and training (VET) whilst in custody were 13.8% less likely to return to the correctional system.

To support this work readiness process, QCS operates prison industries to provide offenders in custody with the skills they need to enable them to break the post-release unemployment cycle and consequently reduce their risk of re-offending. In addition, offenders engaged in service industries that contribute to the day-to-day running of correctional centres, which further helped to offset operating costs. Prison industries include the manufacture of timber,

textiles and metal products and laundry activities, and will soon include the manufacture of rainwater tanks.

QCS has implemented an in-cell computer rental program for offenders in custody undertaking approved educational programs. The program allows offenders who have approved educational or vocational courses identified in their offender management plan to rent an in-cell computer at a cost to the offender of \$4 per week. The program has been designed to enhance educational opportunities for offenders in order to promote their rehabilitation.

Pups in Prison

A new Pups in Prison program has been introduced to improve the emotional and social development of prisoners. The program is being run in conjunction with Assistance Dogs Australia at the Darling Downs Correctional Centre and with the Animal Welfare League at Numinbah Correctional Centre.

Future Developments

Expansion of Services to Aged and Infirm prisoners

QCS will progress its approach to the care of aged and infirm prisoners with the implementation of a pilot project at Wolston Correctional Centre to develop programs and services, which can be implemented at other centres as required.

Review of External Service Providers

QCS's review of external service providers has led to the procurement of services to provide offender reintegration support for male and female offenders being released from secure custody, and these will commence in July 2007.

Additional recurrent funding of \$2.6 million over four years is provided for external service provision. This will bring QCS's total investment in externally provided offender programs and services to \$1.1 million in 2007-08.

Drug Dependency

QCS will continue its work in reducing drug dependency among the offender population with the introduction of the SMART Recovery support and maintenance program for offenders graduating from drug and alcohol treatment programs. This program is a 12-session substance abuse program available in custodial and community correctional settings and offenders completing the program are able to move into a support program designed to keep them drug-free.

Expansion of Prison Industries Program

Prison industries and training is allocated additional recurrent funding of \$750,000 in 2007-08 (\$11.3 million over four years) for the implementation of a 12-hour operational day, which will enable more offenders in custody to participate in industry while allowing a planned approach to the delivery of other interventions and services.

The new 12-hour operational day will involve splitting the industry working day into a morning and afternoon shift, with a different group of offenders working each shift. Programs, education and other services will be delivered during the non-working period of the day.

The new model, which is currently in operation at Wolston and Maryborough Correctional Centres, will improve QCS's ability to pursue opportunities to create a commercial and vocationally-based education and training environment that supports rehabilitative outcomes, through-care and community safety and will be progressively implemented in all correctional centres over four years.

Enhanced Programs

Initiatives to improve the content and delivery of programs will include:

- additional recurrent funding of \$772,000 in 2007-08 for the continuing establishment across the State of a model of offender program delivery integral to the requirements of the Probation and Parole Service
- the implementation of a program designed to meet the needs of offenders with low cognitive functioning or other significant learning difficulties/barriers
- a comprehensive evaluation of QCS's rehabilitation programs to ensure ongoing effectiveness in terms of re-offending rates and post-program changes in risk factors.

An additional \$1.4 million is provided in 2007-08 for enhanced sex offender treatment programs for offenders in custody. A formal evaluation of the effectiveness of these programs will be carried out by an external agency.

OUTPUT STATEMENT

Output: Correctional Intervention Services				
Measures	Notes	2006-07 Target/Est.	2006-07 Est. Actual	2007-08 Target/Est.
Quantity				
Financial value of Community Service work performed (court ordered)	1	\$7.4 million	\$6.3 million	\$6.5 million
Financial value of work performed in regional Queensland by prisoners from Low Security Facilities	1	\$1.0 million	\$1.5 million	\$1.2 million
Annual hours curriculum (AHC)	2			
Vocational Education and Training		168,000	175,000	180,000
Literacy/Numeracy	3	180,000	200,000	190,000
Program completions				
Sex offender programs	4	220	230	220
Transition support	4	1,500	1,410	1,500
Other programs	4	1,230	530	800
Prisoners employed				
Commercial industries	5	1,240	1,270	1,455
Prison services	5	1,800	1,750	1,885
Quality				
Hours of community service performed per offender per month		>12	11.5	>12
Percentage of successful completions in Vocational Education and Training		75%	75%	75%
Location				
Number of community service project sites	6	800	751	800
Cost (\$)				
Correctional Intervention Services as a proportion of budget	7	11.8%	11.7%	12.8%
State Contribution (\$'000)		47,555	47,876	60,618
Other Revenue (\$'000)		11,352	13,167	13,357
Total Cost (\$'000)		58,907	61,043	73,975
Notes:				
1. Financial value is calculated by taking the total number of community service hours worked 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. The 2007-08 target/estimate has been increased by 10,000 hours as a result of the level of achievement in 2006-07.				
4. The measure focuses on the expected number of program completions rather than the number of enrolments in programs or "participation" in programs. That is, a prisoner has to complete the program for it to be counted in this measure. The 2006-07 program completion rate was affected by the transition to a new service delivery model, and implementation of offender programs targeting higher risk offenders which are more intensive and of longer duration.				
5. This measure is calculated by averaging the number of prisoners employed during the year in the categories of commercial industries and prison services.				
6. This is a count of community service project sites where community service work was conducted during the year. The result for 2006-07 was affected by restrictions on the placement of projects near schools.				
7. Calculated by determining the proportion of output revenue allocated to this output.				

Output Income Statement – Correctional Intervention Services

	Notes	2006-07 Budget \$'000	2006-07 Est. Act. \$'000	2007-08 Estimate \$'000
Income				
Output revenue	4,8	47,555	47,876	60,618
User charges	1,5	9,417	11,232	11,422
Grants and other contributions		1,935	1,935	1,935
Other Revenue		..	..	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		58,907	61,043	73,975
Expenses				
Employee expenses	2,6,9	38,896	36,125	43,380
Supplies and services	3,7,10	18,076	22,890	28,185
Grants and subsidies		198	205	210
Depreciation and amortization		1,476	1,476	1,853
Finance/borrowing costs		..	..	..
Other expenses		261	347	347
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		58,907	61,043	73,975
OPERATING SURPLUS/ (DEFICIT)		..	..	..

Notes:

Major variations between 2006-07 Budget and 2006-07 Estimated Actual income:

1. Increase reflects the continuation, through private contractors, of the laundry services previously provided by the Sir David Longland Correctional Centre before its closure for redevelopment.
2. Decrease is mainly due to a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items.
3. Increase is mainly due to a budget realignment between the expenditure categories Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items.

Major variations between 2006-07 Budget and 2007-08 Estimate include:

4. The increase is mainly due to Enterprise Bargaining outcomes, the cost of operating new and expanded correctional infrastructure at Townsville, the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, and enhanced offender through-care and support services.
5. Increase reflects the continuation, through private contractors, of the laundry services previously provided by the Sir David Longland Correctional Centre before its closure for redevelopment.
6. The increase is mainly due to Enterprise Bargaining outcomes, the cost of operating new and expanded correctional infrastructure at Townsville, the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, and enhanced offender through-care and support services, offset to some extent by a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items.
7. The increase is mainly due to the cost of operating new and expanded correctional infrastructure at Townsville, the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, and enhanced offender through-care and support services, as well as a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items.

Major variations between 2006-07 Estimated Actual and the 2007-08 estimate include:

8. The increase is mainly due to Enterprise Bargaining outcomes, the cost of operating new and expanded correctional infrastructure at Townsville, the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, and enhanced offender through-care and support services, .
9. The increase is mainly due to Enterprise Bargaining outcomes, the cost of operating new and expanded correctional infrastructure at Townsville, the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, and enhanced offender through-care and support services.
10. The increase is mainly due to cost of operating new and expanded correctional infrastructure at Townsville, and at the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, and enhanced offender through-care and support services.

CAPITAL ACQUISITIONS

QCS has a total capital expenditure budget of \$255 million in 2007-08.

Significantly, the Budget includes \$228 million to conclude the four major capital works projects commenced in the 2005-06 financial year. Those due for completion in 2007-08 are:

- the development of the 540-bed Brisbane Correctional Centre
- the 180-bed expansion of the Arthur Gorrie Correctional Centre
- the construction of a new 150-bed stand-alone women's correctional centre at Townsville.

The fourth project, the 140-bed expansion of the Townsville Correctional Centre, is due for completion in 2008-09.

In north Queensland, a total of \$130 million is provided over three years (\$50.4 million in 2007-08) to construct a new 150-bed women's correctional centre on the existing Townsville Correctional Centre site.

Also in north Queensland, a total of \$142.5 million is provided over four years (\$113 million in 2007-08) to expand and upgrade facilities at the existing men's centre at Townsville. This project is proceeding 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 new Brisbane Correctional Centre development will be completed at a total cost of \$110 million over three years (\$44.3 million in 2007-08) and will open in December 2007.

The expansion of the existing Arthur Gorrie Correctional Centre by 180 cells will be completed at a total cost of \$55 million over three years (\$19.9 million in 2007-08) and will provide south-east Queensland with a primary remand-only centre and, for the first time, separate the containment of remand and reception prisoners in south-east Queensland. Videoconferencing is being installed at the centre, with funding of \$1.7 million in 2007-08.

Funding of \$3.5 million is provided to continue the master planning for Stage 1 of the proposed new correctional precinct at Gatton. Planning for the expansion of the Lotus Glen Correctional Centre by 300 beds will continue in 2007-08 at a cost of \$3 million.

The perimeter security upgrade program continues, with an additional \$10 million over the next two years, bringing the total project investment to \$40 million, of which \$7.7 million is allocated in 2007-08.

The ongoing program of providing appropriate accommodation for Probation and Parole Service offices is provided with \$2.6 million in 2007-08. In addition, \$500,000 is provided for accommodation for new services on Cape York.

The lightning protection program for secure centres will be completed in 2007-08 with the provision of \$424,000 for work undertaken in conjunction with the current expansion of the Townsville Correctional Centre.

In 2007-08, \$6.9 million is allocated for the procurement of minor works, plant and equipment.

CAPITAL ACQUISITION STATEMENT

	Notes	2006-07 Budget \$'000	2006-07 Est. Act. \$'000	2007-08 Estimate \$'000
<u>PROPERTY, PLANT AND EQUIPMENT</u>				
Property, Plant and Equipment				
Women's Correctional Centre (CC) at Townsville	1	58,427	73,280	50,446
Redevelopment of Sir David Longlands CC	1	75,328	58,667	44,277
Expansion of Arthur Gorrie CC	1	23,683	31,025	19,901
Expansion of Townsville CC	1	59,000	21,870	113,325
Gatton Precinct Planning	2	..	1,048	3,452
Lotus Glen CC Planning	2	..	..	3,000
Perimeter Security System	1	5,490	9,654	7,716
Mobile Duress Alarms at Lotus Glen CC and Arthur Gorrie CC	3	519	215	..
Capricornia CC	3	220	220	..
Additional Security to the Townsville CC	3	36	200	..
Scanning and Handling Equipment at Secure Correctional Centre Laundries	3	232	350	..
Establishment of New Probation and Parole Service	4	1,500	1,318	2,602
Probation and Parole in Indigenous Communities	4	..	..	500
Videoconferencing to External Locations	1	2,667	950	1,717
Correctional Centre Lighting Protection	1	1,163	984	424
Other acquisitions of property, plant and equipment		8,263	7,285	7,259
TOTAL PROPERTY, PLANT AND EQUIPMENT		236,528	207,066	254,619
<u>OTHER CAPITAL ACQUISITIONS</u>				
Intergrated Offender Management System	3	380	380	..
Other Items		..	..	..
TOTAL OTHER CAPITAL ACQUISITIONS		380	380	..
TOTAL CAPITAL ACQUISITIONS		236,908	207,446	254,619
<u>FUNDING SOURCES OF ACQUISITIONS</u>				
Equity Adjustment		195,373	165,340	202,482
Funding for depreciation and amortisation		41,535	41,565	52,137
Borrowings		..	..	..
Proceeds of asset sales		..	..	..
Other		..	541	..
TOTAL FUNDING SOURCES		236,908	207,446	254,619

Notes:

1. Continuing program of the expansion, redevelopment or upgrade of correctional facilities.
2. Planning for the future management of increased prisoner numbers.
3. Projects have been completed in 2006-07.
4. Ongoing program for the provision of appropriate accommodation for Probation and Parole offices, including funding to allow for expansion into Indigenous communities.

**DEPARTMENTAL
FINANCIAL
STATEMENTS**

INCOME STATEMENT

	Notes	2006-07	2006-07	2007-08
		Budget	Est. Act.	Estimate
		\$'000	\$'000	\$'000
Income				
Output revenue	1,7,14	402,226	408,243	472,615
User charges	2,8	9,417	11,232	11,422
Grants and other contributions		1,935	1,935	1,935
Other revenue	9,15	2,621	2,215	1,046
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		416,199	423,625	487,018
Expenses				
Employee expenses	3,10,16	237,355	218,555	251,915
Supplies and services	4,11,17	125,836	158,455	177,682
Grants and subsidies		905	912	935
Depreciation and amortisation	12,18	41,535	41,565	52,137
Finance/borrowing costs		..	..	..
Other expenses	5,13	10,568	4,331	4,349
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		416,199	423,818	487,018
OPERATING SURPLUS/(DEFICIT)	6	..	(193)	..

STATEMENT OF CHANGES IN EQUITY

	Notes	2006-07	2006-07	2007-08
		Budget	Est. Act.	Estimate
		\$'000	\$'000	\$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	19,22,24	82,144	132,003	137,158
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		82,144	132,003	137,158
Surplus/(deficit) for the period	20	..	(193)	..
Total recognised income and expense for the period		82,144	131,810	137,158
Equity injection/(withdrawal)	21,23,25	195,373	165,340	202,482
Equity adjustments (Mog transfers)		..	31	..
Total movement in equity for the period		277,517	297,181	339,640

BALANCE SHEET

	Notes	2006-07	2006-07	2007-08
		Budget \$'000	Est. Act. \$'000	Estimate \$'000
CURRENT ASSETS				
Cash assets	26,36	37,445	44,698	44,698
Receivables	27,37	6,274	8,062	8,062
Other financial assets		..	..	..
Inventories		3,443	3,251	3,251
Other	28,38	2,737	4,950	4,950
Non-financial assets held for sale		..	..	..
Total current assets		49,899	60,961	60,961
NON-CURRENT ASSETS				
Receivables		288	144	144
Other financial assets		216	230	230
Property, plant and equipment	29,39,46	1,193,667	1,336,825	1,677,780
Intangibles		9,750	9,963	8,648
Other		762	893	893
Total non-current assets		1,204,683	1,348,055	1,687,695
TOTAL ASSETS		1,254,582	1,409,016	1,748,656
CURRENT LIABILITIES				
Payables	30,40	17,196	23,885	23,885
Employee benefit obligations	31,41	15,043	21,698	21,698
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	32,42	3,845	1,088	1,088
Total current liabilities		36,084	46,671	46,671
NON-CURRENT LIABILITIES				
Payables		(1)	..	..
Employee benefit obligations	33,43	3,196	1,999	1,999
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		3,195	1,999	1,999
TOTAL LIABILITIES		39,279	48,670	48,670
NET ASSETS (LIABILITIES)		1,215,303	1,360,346	1,699,986
EQUITY				
Capital/Contributed equity	34,44,47	471,948	444,585	647,067
Retained surplus/(Accumulated deficit)		348,223	349,748	349,748
Reserves:				
- Asset revaluation reserve	35,45,48	395,132	566,013	703,171
- Other (specify)		..	..	..
TOTAL EQUITY		1,215,303	1,360,346	1,699,986

CASH FLOW STATEMENT

	Notes	2006-07	2006-07	2007-08
		Budget	Est. Act.	Estimate
		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts	49,57,67	402,226	408,243	472,615
User charges	50,58	29,401	31,216	31,406
Grants and other contributions		1,935	1,935	1,935
Other	59,68	23,296	22,890	21,721
Outflows:				
Employee costs	51,60,69	(237,355)	(218,555)	(251,915)
Supplies and services	52,61,70	(146,511)	(179,130)	(198,357)
Grants and subsidies		(905)	(912)	(935)
Borrowing costs		..	..	..
Other	53,62	(30,552)	(24,315)	(24,333)
Net cash provided by/(used in) operating activities		41,535	41,372	52,137
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 and intangibles	54,63,71	(236,908)	(207,446)	(254,619)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(236,908)	(207,446)	(254,619)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	55,64,72	225,591	195,588	243,468
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	65,73	(30,218)	(30,248)	(40,986)
Net cash provided by/(used in) financing activities		195,373	165,340	202,482
Net increase/(decrease) in cash held		..	(734)	..
Cash at the beginning of financial year		37,445	45,445	44,698
Cash transfers from restructure		..	(13)	..
Cash at the end of financial year		37,445	44,698	44,698

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income Statement

Major variations between 2006-07 Budget and 2006-07 Estimated Actual include:

1. Increase is mainly due to funding being provided for managing offenders released into the community who are subject to the *Dangerous Prisoners (Sexual Offenders) Act 2003* (DPSOA), the electronic monitoring of sex offenders in the community, the establishment of a Work Camp at Innisfail, investigations related to the establishment of a prison precinct in the Gatton area, increased insurance premiums and changed arrangements for the retention of bank interest by the agency.
2. Increase reflects the continuation, at additional cost using private contractors, of the laundry services previously provided by the Sir David Longland Correctional Centre before its closure for redevelopment. The private contract will be discontinued upon the centre's reopening as Brisbane Correctional Centre.
3. Decrease is mainly due to a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, offset by funding being provided for managing offenders released into the community who are subject to the DPSOA, the electronic monitoring of sex offenders in the community, and the establishment of a Work Camp at Innisfail.
4. Increase is mainly due to a budget realignment between the expenditure categories Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, and by funding being provided for managing offenders released into the community who are subject to the DPSOA, the electronic monitoring of sex offenders in the community, the establishment of a Work Camp at Innisfail, and investigations related to the establishment of a prison precinct in the Gatton area.
5. Decrease is mainly due to a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, offset by increased insurance premiums.
6. The deficit reflects the utilisation of retained surpluses to complete the implementation of energy efficiency measures at Lotus Glen Correctional Centre.

Major variations between 2006-07 Budget and 2007-08 Estimate include:

7. The increase is mainly due to funding for Enterprise Bargaining, the full year of operation of the new Probation and Parole Service, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, managing offenders released into the community who are subject to the DPSOA, the electronic monitoring of sex offenders in the community, the establishment of a Work Camp at Innisfail, increased insurance premiums, and enhanced offender through-care and support services.
8. Increase reflects the continuation, at additional cost using private contractors, of the laundry services previously provided by the Sir David Longland Correctional Centre before its closure for redevelopment. The private contract will be discontinued upon the opening of the Brisbane Correctional Centre.
9. Decrease reflects the changed arrangements for the retention of bank interest by the agency.
10. The increase is mainly due to funding for Enterprise Bargaining, the full year of operation of the new Probation and Parole Service, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, managing offenders released into the community who are subject to the DPSOA, the electronic monitoring of sex offenders in the community, the establishment of a Work Camp at Innisfail, and enhanced offender through-care and support services, offset to some extent by a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items.
11. The increase is mainly due to the full year of operation of the new Probation and Parole Service, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, managing offenders released into the community who are subject to the DPSOA, the electronic monitoring of sex offenders in the community, the establishment of a Work Camp at Innisfail, and enhanced offender through-care and support services, as well as a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items.
12. The increase is due to the completion of new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre.
13. Decrease is mainly due to a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, offset by increased insurance premiums.

Major variations between 2006-07 Estimated Actual and the 2007-08 Estimate include:

14. The increase is mainly due to funding for Enterprise Bargaining, the full year of operation of the new Probation and Parole Service, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, a full year of managing offenders released into the community who are subject to the DPSOA, a full year of electronic monitoring of sex offenders in the community, a full year of operating the new Work Camp at Innisfail, and enhanced offender through-care and support services.
15. Decrease reflects the changed arrangements for the retention of bank interest by the agency.
16. The increase is mainly due to funding for Enterprise Bargaining, the full year of operation of the new Probation and Parole Service, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, a full year of managing offenders released into the community who are subject to the DPSOA, a full year of electronic monitoring of sex offenders in the community, a full year of operating the new Work Camp at Innisfail, and enhanced offender through-care and support services.
17. The increase is mainly due to the full year of operation of the new Probation and Parole Service, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, a full year of managing offenders released into the community

who are subject to the DPSOA, a full year of electronic monitoring of sex offenders in the community, a full year of operating the new Work Camp at Innisfail, and enhanced offender through-care and support services.

18. The increase is due to the completion of new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre.

Changes in Equity

Major variations between 2006-07 Budget and 2006-07 Estimated Actual include:

19. The increase mainly reflects increased indexation of the values of eligible assets in 2006-07.
20. The deficit reflects the utilisation of retained surpluses to complete the implementation of energy efficiency measures at Lotus Glen Correctional Centre.
21. Decrease reflects the difference between the net capital injections initially planned and actually required for the 2006-07 capital programs.

Major variations between 2006-07 Budget and 2007-08 Estimate include:

22. The increase mainly reflects increased indexation of the values of eligible assets for 2006-07 and 2007-08.
23. Increase reflects the difference between the net capital injections required for the budgeted 2006-07 and estimated 2007-08 capital programs.

Major variations between 2006-07 Estimated Actual and the 2007-08 Estimate include:

24. The increase mainly reflects increased indexation of the values of eligible assets for 2006-07 and 2007-08.
25. Increase reflects the difference between the net capital injections required for the estimated actual 2006-07 program and the 2007-08 program.

Balance Sheet

Major variations between 2006-07 Budget and 2006-07 Estimated Actual include:

26. Increase mainly reflects the increase in payables, predominantly trade creditors.
27. Increase mainly reflects the timing of payment of GST receivable.
28. Increase reflects timing differences in prepayments.
29. Increase is mainly due to a higher than expected asset indexation rate used for the annual indexation of assets.
30. Increase reflects the increase in trade creditors, mainly capital.
31. Increase reflects transfer of recreation leave accrued by employees to this item from Other Current Liabilities, and additional amounts accrued.
32. Decrease reflects transfer of recreation leave accrued by employees from this item to Employee Benefit Obligations.
33. Decrease reflects a reduction in the estimate for recreation leave entitlements expected to be taken up more than twelve months in the future.
34. Decrease reflects a reduced requirement for capital funding, due to wet weather and other unforeseen contingencies.
35. Increase is due to a higher than expected asset indexation rate used for the annual indexation of assets.

Major variations between 2006-07 Budget and 2007-08 Estimate include:

36. Increase mainly reflects the increase in payables, predominantly trade creditors.
37. Increase mainly reflects the timing of payment of GST receivable.
38. Increase reflects timing differences in prepayments.
39. Increase reflects the agency's capital program for 2007-08, plus expected revaluations.
40. Increase reflects the increase in trade creditors, mainly capital.
41. Increase reflects transfer of recreation leave accrued by employees to this item from Other Current Liabilities, and additional amounts accrued.
42. Decrease reflects transfer of recreation leave accrued by employees from this item to Employee Benefit Obligations.
43. Decrease reflects a reduction in the estimate for recreation leave entitlements expected to be taken up more than twelve months in the future.
44. Increase reflects the capital injection required for the 2007-08 capital program.
45. Increase reflects the expected amount of the annual revaluation of existing assets, plus the additional amount from 2006-07.

Major variations between 2006-07 Estimated Actual and the 2007-08 Estimate include:

46. Increase reflects the agency's capital program for 2007-08, plus expected revaluations.
47. Increase reflects the capital injection required for the 2007-08 capital program.
48. Increase reflects the expected amount of the annual revaluation of existing assets.

Cash Flow Statement

Major variations between 2006-07 Budget and 2006-07 Estimated Actual include:

49. Increase is mainly due to additional funding being provided for managing offenders released into the community who are subject to the *Dangerous Prisoners (Sexual Offenders) Act 2003* (DPSOA), the electronic monitoring of sex offenders in the community, the establishment of a Work Camp at Innisfail, investigations related to the establishment of a prison precinct in the Gatton area, increased insurance premiums and changed arrangements for the retention of bank interest by the agency.
50. Increase reflects the continuation, at additional cost using private contractors, of the laundry services previously provided by the Sir David Longland Correctional Centre before its closure for redevelopment.
51. Decrease is mainly due to a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, offset by funding being provided for managing offenders released into the community who are subject to the DPSOA, the electronic monitoring of sex offenders in the community, and the establishment of a Work Camp at Innisfail.

52. Increase is mainly due to a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, and by funding being provided for managing offenders released into the community who are subject to the DPSOA, the electronic monitoring of sex offenders in the community, the establishment of a Work Camp at Innisfail, and investigations related to the establishment of a prison precinct in the Gatton area.
53. Decrease is mainly due to a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, offset by increased insurance premiums.
54. Decrease reflects a reduced requirement for capital payments, due to wet weather and other unforeseen contingencies.
55. Decrease reflects a reduced requirement for capital funding, due to wet weather and other unforeseen contingencies.
56. Increase mainly reflects the increase in payables, predominantly trade creditors.

Major variations between 2006-07 Budget and 2007-08 Estimate include:

57. The increase is mainly due to Enterprise Bargaining outcomes, the full year of operation of the new Probation and Parole Service, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, managing offenders released into the community who are subject to the DPSOA, the electronic monitoring of sex offenders in the community, the establishment of a Work Camp at Innisfail, increased insurance premiums, and enhanced offender through-care and support services.
58. Increase reflects the continuation, at additional cost using private contractors, of the laundry services previously provided by the Sir David Longland Correctional Centre before its closure for redevelopment.
59. Decrease is mainly due to changed arrangements for the retention of bank interest from 1 January 2007.
60. The increase is mainly due to Enterprise Bargaining outcomes, the full year of operation of the new Probation and Parole Service, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, managing offenders released into the community who are subject to the DPSOA, the electronic monitoring of sex offenders in the community, the establishment of a Work Camp at Innisfail, and enhanced offender through-care and support services, offset to some extent by a budget realignment between the expenditure categories Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items.
61. The increase is mainly due to the full year of operation of the new Probation and Parole Service, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, managing offenders released into the community who are subject to the DPSOA, the electronic monitoring of sex offenders in the community, the establishment of a Work Camp at Innisfail, and enhanced offender through-care and support services, as well as a budget realignment between the expenditure categories Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items.
62. Decrease is mainly due to a budget realignment between the expenditure categories of Employee Expenses, Supplies and Services and Other Expenses to reflect changed expenditure patterns and changes to the accounting treatment of some items, offset by increased insurance premiums.
63. Increase reflects the difference between the payments required for the 2006-07 and 2007-08 capital programs.
64. Increase reflects the difference between the capital injections required for the 2006-07 and 2007-08 capital programs.
65. Increase reflects the Agency's additional contribution to its capital program.
66. Increase mainly reflects the increase in payables, predominantly trade creditors.

Major variations between 2006-07 Estimated Actual and the 2007-08 Estimate include:

67. The increase is mainly due to Enterprise Bargaining outcomes, the full year of operation of the new Probation and Parole Service, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, a full year of managing offenders released into the community who are subject to the DPSOA, a full year of electronic monitoring of sex offenders in the community, a full year of operating the new Work Camp at Innisfail, and enhanced offender through-care and support services.
68. Decrease is mainly due to changed arrangements for the retention of bank interest from 1 January 2007.
69. The increase is mainly due to Enterprise Bargaining outcomes, the full year of operation of the new Probation and Parole Service, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, a full year of managing offenders released into the community who are subject to the DPSOA, a full year of electronic monitoring of sex offenders in the community, a full year of operating the new Work Camp at Innisfail, and enhanced offender through-care and support services.
70. The increase is mainly due to the full year of operation of the new Probation and Parole Service, the cost of commissioning and operating new and expanded correctional infrastructure at Townsville (women's and men's), the Arthur Gorrie Correctional Centre and the Brisbane Correctional Centre, a full year of managing offenders released into the community who are subject to the DPSOA, a full year of electronic monitoring of sex offenders in the community, a full year of operating the new Work Camp at Innisfail, and enhanced offender through-care and support services.
71. Increase reflects the difference between the payments to be made for the 2006-07 and 2007-08 capital programs.
72. Increase reflects the difference between the capital injections required for the 2006-07 and 2007-08 capital programs.
73. Increase reflects the Agency's additional contribution to its capital program.

RECONCILIATION OF 2007-08 APPROPRIATION AMOUNTS TO THE FINANCIAL STATEMENTS

CONTROLLED

Income Statement

	\$'000
Output Revenue in Income Statement ¹	472,615
<i>Add:</i> Appropriation Funding for Outputs Receivable ^a	<u>..</u>
= Appropriation for Departmental Outputs	472,615
= Output Receipts in Cash Flow Statement ²	472,615

Balance Sheet

	\$'000
Closing balance Contributed Equity ³	647,067
<i>Less:</i> Opening Balance Contributed Equity ³	<u>444,585</u>
= Change in Contributed Equity in the Balance Sheet	202,482
<i>Add:</i> Appropriation Equity Injection Receivable ^b	..
<i>Less:</i> Non-appropriated Equity Adjustments ⁴	<u>..</u>
= Appropriation for Equity Adjustment ⁵	202,482
= Net Appropriated Equity Adjustment in Cash Flow Statement	202,482

1. This Output Revenue amount reconciles to the Output Revenue line in the Income Statement on page 3-33.
 2. This Output Revenue amount reconciles to the Output Receipts line in the Cash Flow Statement on page 3-35.
 3. The Contributed Equity amounts reconcile to the Contributed Equity line in the Balance Sheet on page 3-34.
 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 2007-08 Estimate (\$'000)

	Notes	Total Corporate Services	Facility –based Containment Services	Community Supervision Services	Correctional Intervention Services
Income					
Output revenue		77,122	48,079	10,015	19,028
User charges		..	..	..	..
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		79,991	50,457	10,258	19,276
Expenses					
Employee expenses	2	35,060	20,265	5,492	9,303
Supplies and services		25,180	14,389	3,093	7,693
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		79,991	50,452	10,258	19,276
Full Time Equivalents		366	247	64	100
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 Partner One for the provision of some finance and administration, purchasing, records management, human resources and payroll functions.					