

2019–2020 ANNUAL REPORT



Purpose

This annual report summarises financial and corporate performance information about Queensland Corrective Services for 2019–20. It has been prepared in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and the annual report requirements for Queensland Government agencies.

Enquiries and further information

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Feedback on the annual report can be provided through the Get Involved website:
<https://www.getinvolved.qld.gov.au/gi/consultation/7550/view.html>

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Letter of compliance

23 September 2020

The Honourable Mark Ryan MP
Minister for Police and Minister for Corrective Services
PO Box 15195
Brisbane QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2019-2020 and financial statements for Queensland Corrective Services.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements is provided at page 54 of this annual report.

Yours sincerely



Peter Martin APM
Commissioner

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Glossary

Acronym	Title
AGCC	Arthur Gorrie Correctional Centre
ARMC	Audit and Risk Management Committee
BoM	Board of Management
BWC	Body-Worn Camera
CCC	Crime and Corruption Commission
CFO	Chief Finance Officer
CMU	Case Management Unit
CS Act	<i>Corrective Services Act 2006</i>
DFV	Domestic and family violence
DHPW	Department of Housing and Public Works
DHS	Commonwealth Department of Human Services
DJAG	Department of Justice and Attorney-General
DRC	Demand and Resource Committee
ELT	Executive Leadership Team
EMC	Establishment Management Committee
ESG	Ethical Standards Group
GPS	Global Positioning System
HR Act	<i>Human Rights Act 2019</i>
ICT	Information and Communication Technology
IOMS	Integrated Offender Management System
IPSC	Integrity and Professional Standards Command
LinCT	Leadership in Counter Terrorism
MOU	Memorandum of Understanding
NDIS	National Disability Insurance Scheme
OCI	Office of the Chief Inspector
OOC	Operational Oversight Committee
OST	Opioid Substitution Treatment
OV	Official Visitor
OVS	Official Visitor Scheme
PBQ	Parole Board Queensland
PDSR	Psychological and Disability Services Re-design
PRSA	Post-Release Supported Accommodation
PSC	Public Service Commission
PSGC	Professional Standards and Governance Command
QAO	Queensland Audit Office
QCS	Queensland Corrective Services
QPSR	Queensland Parole System Review
QPS	Queensland Police Service
QSAC	Queensland Sentencing Advisory Council
SCOC	State Corrections Operation Centre
SCSU	Specialised Clinical Services Unit
SDR	Service Delivery Reform
SPER	State Penalties Enforcement Register
SQCC	Southern Queensland Correctional Centre
SQCP	Southern Queensland Correctional Precinct



Commissioner's message

It is with pleasure that I present the 2019–20 annual report for Queensland Corrective Services (QCS). The report highlights QCS' commitment to community safety in Queensland and showcases our achievements over the past 12 months.

QCS is at the forefront of public safety in Queensland. Our workforce of 5,975 officers work each day to protect the Queensland community through the safe and humane containment, supervision and rehabilitation of more than 8,800 prisoners and 20,000 offenders in the community.

Our people supervise, manage and work tirelessly to rehabilitate many of the most complex and challenging cohort of the community. Indeed, our single most important purpose is to support those who come into contact with the corrective services system to reduce the likelihood of them reoffending.

As a frontline public safety agency, our business operates 24 hours a day, seven days a week and faces continuous challenges. Those within our care and supervision are becoming increasingly complex. Mental health issues and substance addiction coupled with social disadvantage and poor physical health are at the core of much offending behaviour.

In addition to these ongoing complexities, QCS, like corrective services in all other jurisdictions and other public safety agencies, has faced the most challenging set of circumstances in the wake of the COVID-19 pandemic. I am immensely proud of the way QCS has met these challenges through evidence-based practices and rapid advancements in our technological capability to keep our community corrections offices and custodial correctional centres (correctional facilities) safe.

Over the past year, we have achieved an extraordinary amount and achieved several key milestones, whilst continuing to implement fundamental changes brought about by the Queensland Parole System Review (QPSR). Critically, the past 12 months saw the design and development of Queensland's first Case Management Unit that would give effect to end-to-end case management, which is at the core of the QPSR recommendations.

We continued to implement the 33 supported recommendations of the Crime and Corruption Commission's (CCC) Taskforce Flaxton, establishing the necessary systems and governance measures, including a substantial increase to our professional standards capability, in order to build a corruption-resistant organisation.

In November 2019, QCS made a submission to the CCC's Operation Impala, which examined the improper access to and dissemination of confidential information by public sector agencies. Since then, QCS has addressed identified security issues with our information technology capabilities, with a range of works either completed or underway.

In August 2019, I formally announced *Corrections 2030* – a strategic roadmap for QCS' future, which, underpinned by the five principles of Safety, Excellence, Empowerment, Respect and Accountability, will inform everything we do as an agency for the next decade.

In preparation for Queensland's *Human Rights Act 2019* (HR Act), which came in to effect on 1 January 2020, QCS established a Human Rights Implementation Team, which reviewed all operational policies and procedures to ensure compliance with the Act, rolled out comprehensive training to all officers across the state, and established the necessary systems for QCS to manage human rights complaints.

Following a record budget for QCS, significant planning work is underway for the Southern Queensland Correctional Precinct Stage 2, following the successful procurement of an architectural firm. We continue to work with our government partners to build and commission the state-of-the-art, 1000-bed, rehabilitation-focused correctional centre.



Perhaps most notably, the past 12 months saw the successful execution of the first part of Operation Certitude, with the Arthur Gorrie Correctional Centre transitioning from private operations to QCS operations on 1 July 2020. This was the single biggest operation in QCS' 170-year history, and one of the largest transactions of human resources from private to public sector in Australian history. This year, we commence the second phase of Operation Certitude, with work already underway to transition the Southern Queensland Correctional Centre from private operations to QCS operations.

I want to take this opportunity to thank all staff for their continued hard work and dedication in the important work they do to keep Queenslanders safe.

Peter Martin APM
Commissioner



About QCS

QCS strategic objectives are:

- safer correctional environments
- humane management of prisoners and offenders
- partnering and community collaboration
- stop crime

During 2019–20, QCS provided correctional services in custody and through community supervision in accordance with the *Corrective Services Act 2006* (CS Act), *Penalties and Sentences Act 1992*, *Dangerous Prisoners (Sexual Offenders) Act 2003* and *Parole Orders (Transfer) Act 1984*. QCS is responsible to the people of Queensland and is answerable to the community through the Minister for Police and Minister for Corrective Services and the Queensland Parliament.

Vision

Enhance the safety of Queenslanders through modern, sustainable and evidence-based corrective services to maximise rehabilitation and reduce recidivism.

Purpose

To provide safe, modern and responsive correctional services which rehabilitate prisoners and offenders and prevent crime, making Queensland safer.

Values

Professionalism

QCS is a responsive criminal justice agency providing the highest standards of service delivery through diligence, efficiency, collaboration, sharing of knowledge and supporting our co-workers, stakeholders, the community, prisoners and offenders.

Integrity

QCS inspires trust by acting ethically at all times, acting with honesty and truthfulness and treating prisoners and offenders with dignity and respect.

Accountability

QCS is publicly accountable for the provision of community safety through our actions and preparedness to justify our decisions.

Innovation

QCS seeks to continually improve through innovation, evidence-based best practice and research to improve correctional services.

QCS shares the Queensland Public Service values. Our values underpin everything we do and are the building blocks for our workplace culture. They guide our behaviour and decision-making and support us in being a high-performing, top-tier public safety agency.



QCS' contribution to Queensland Government objectives

QCS contributes to the government's *Our Future State: Advancing Queensland's Priorities*:

Keep communities safe

By working with our partners in criminal justice and human services agencies like the Queensland Police Service, Department of Justice and Attorney-General (DJAG) and the Department of Child Safety, Youth and Women to ensure safer communities for Queensland.

Keep Queenslanders healthy

By working with Queensland Health to improve prisoners and offenders general and mental health wellbeing.

Be a responsive government

By advancing the digitisation of services for visitors to prisoners and increasing the use of videoconferencing visits through the pandemic, we are making it faster and more efficient to access services across the State.



Operating environment

The Queensland Government recognises the vital public safety role of QCS in managing society's most complex and challenging people to keep our communities safe.

The main environmental factor impacting on the department in 2019–20 was the continued growth in prisoner and offender populations, with over 54 per cent and 16 per cent growth respectively since 2012.

As part of the implementation of the QPSR, there has been a commitment to increase custodial staffing numbers in line with prisoner numbers, as well as continue to provide additional resources to bolster community supervision.

Demand on correctional capacity is a national and global issue for correctional authorities, and Queensland is no different. The Queensland Government is investing in a range of short, medium and longer-term infrastructure strategies to keep communities safe and address the growth in prisoners and offenders.

In 2019–20, QCS:

- finalised Phase One of Operation Certitude with the transition of the Arthur Gorrie Correctional Centre (AGCC) to public operations, effective from 1 July 2020
- completed the second stage of the perimeter security system upgrade, which resulted in all remaining high security correctional centres in Queensland coming up to the current QCS standards for design and reliability, by upgrading and/or replacing the systems with current modern technology
- completed the replacement of obsolete locks within the Maryborough Correctional Centre
- completed refurbishment and relocation of the Inala Community Corrections office. The new office incorporates urinalysis testing facilities and allows for future growth of the office
- completed upgrades at Wolston, Brisbane Women's, Woodford and Maryborough correctional centres
- finalised the first stage of the workforce review and the development and approval of a new organisational structure as part of implementation of the Taskforce Flaxton recommendations. This new structure includes an empowered professional standards capability and enhanced integrity and governance functions to proactively monitor, investigate, detect and prevent corruption and risk of corruption in Queensland prisons.

In 2020–21, QCS will:

- undertake Phase Two of Operation Certitude, with the transition of Southern Queensland Correctional Centre (SQCC) from private operations to public operations, effective from 1 July 2021
- continue construction of a new 1000-bed men's correctional centre with a therapeutic focus at the Southern Queensland Correctional Precinct (SQCP)
- commission the expanded Capricornia Correctional Centre, providing an additional 348 cells with 398 beds for male prisoners
- finalise the upgrade of the Princess Alexandra Hospital secure unit
- continue the installation of the 1000 purpose-built bunk beds at correctional centres across the state, bringing the total additional beds delivered since 2015 to more than 4000 by 2023.



COVID-19 impacts and QCS' response

The COVID-19 pandemic has impacted day-to-day life in Queensland, including the operation of Queensland's correctional facilities.

QCS responded to the COVID-19 pandemic quickly and effectively to protect the health and wellbeing of QCS officers, visitors and the people in QCS' care. Significant planning was undertaken to maintain business continuity and ensure the security of Queensland's prisons and supervision of offenders. QCS also adapted its operations to detect and prevent COVID-19 entering correctional facilities.

In March 2020, QCS established a dedicated COVID-19 Taskforce and established the State Corrections Operation Centre (SCOC) to coordinate an agency-wide response to the management of the emerging threat of COVID-19 in Queensland's correctional system. The SCOC focused on the planning necessary for the continued safe and secure operations of the correctional system and worked closely with Queensland Health to deliver an evidence-based and coordinated response.

A four-stage approach was adopted to implementing restrictions, with the support of the Chief Health Officer, Queensland Health to prevent and manage the potential introduction and spread of COVID-19 in Queensland's correctional facilities. The restrictions significantly reduced the number of visitors entering Queensland prisons. There were also significant restrictions and adaptations made to operations within QCS' community corrections offices including remote supervision. As at 30 June 2020, no prisoners in Queensland correctional centres had tested positive to COVID-19 and there were no QCS staff with COVID-19.

During the restrictions, QCS ensured the rights of people in its care were upheld to the greatest extent possible. Several actions and initiatives were fast-tracked to support staff, prisoners, their families and legal representatives, offenders under QCS' supervision in the community, and stakeholders including the courts. For example, QCS:

- progressed urgent legislative amendments to ensure QCS and the Parole Board Queensland (PBQ) had the powers necessary to lawfully maintain security and good order in prisons and ensure the health and safety of prisoners and offenders for the duration of the pandemic
- implemented health screening of everyone who entered Queensland correctional facilities to detect, prevent and respond to suspected cases of COVID-19, in cooperation with Queensland Health
- deployed thermal cameras to correctional centres, in partnership with Queensland Health, to assist with the detection of potential COVID-19 cases amongst officers and visitors
- provided personal protective equipment and other supplies to support the health and safety of staff, prisoners and offenders
- continued daily activities related to prison industries and rehabilitation programs wherever possible through alternative delivery models and provided additional in-cell activities to prisoners required to isolate
- allowed virtual prisoner visits with family through fixed screens and digital devices for prisoners at nine of the 11 high security correctional centres
- introduced a manual email system and voicemail to support prisoner contact with family, and access to cordless phones as an extension of the prisoner phone system for isolated prisoners
- introduced a secure online prisoner trust account service to allow the secure transfer of funds to prisoners, removing the need to attend a centre to deposit cash or to post a money order
- increased the use of technology or adopted alternative methods – including video and teleconferencing – to conduct court appearances and stakeholder meetings and deliver programs and case management practices to support the continuity of supervision
- assisted Aboriginal and Torres Strait Islander prisoners and offenders to safely return to their home communities affected by the Biosecurity Act declarations and Chief Health Officer directions restricting travel, with COVID Safe plans, health screening, and assistance to quarantine if required
- increased the security of the QCS Information and Communication Technology (ICT) environment by fast-tracking several initiatives to enhance network security and monitoring capabilities to respond to the increased threat of cyber security during COVID-19



- QCS Community Corrections has continued in-person supervision as required with high-risk offenders, including those subject to supervision under the Dangerous Prisoners (Sexual Offenders) Act 2003.

Legislation that QCS administers

Queensland Corrective Services administers the following legislation:

- *Corrective Services Act 2006*
- *Community Based Sentences (Interstate Transfer) Act 2020*
- *Parole Orders (Transfer) Act 1984*

Community Based Sentences (Interstate Transfer) Act 2020

On 20 February 2020, the *Community Based Sentences (Interstate Transfer) Act 2020* was passed by the Legislative Assembly. The Act will commence on proclamation.

Amendments to QCS legislation in response to the impact of COVID-19 on QCS operations

Corrective Services (COVID-19 Emergency Response) Regulation 2020

On 5 June 2020, the *Corrective Services (COVID-19 Emergency Response) Regulation 2020* (Emergency Response Regulation) was notified. The regulation applied retrospectively from 23 April 2020 and expires on 31 December 2020.

Justice and Other Legislation (COVID-19 Emergency Response) Amendment Act 2020

On 25 May 2020, amendments to the *Corrective Services Act 2006* included in the *Justice and Other Legislation (COVID-19 Emergency Response) Amendment Act 2020* commenced.

These amendments are temporary and apply for the duration of the COVID-19 emergency period. They expire on 31 December 2020.

Other amendments to the Corrective Services Act 2006

Health Transparency Act 2019

On 5 December 2019, amendments to the *Corrective Services Act 2006* included in the *Health Transparency Act 2019* commenced.

Justice and Other Legislation Amendment Act 2020

On 25 May 2020, amendments to the *Corrective Services Act 2006* included in the *Justice and Other Legislation Amendment Act 2020* (JOLA Act) commenced.

Corrective Services and Other Legislation Amendment Bill 2020

On 17 March 2020, the Minister for Police and Minister for Corrective Services introduced the *Corrective Services and Other Legislation Amendment Bill 2020* into the Legislative Assembly and referred it to the Legal Affairs and Community Safety Committee.

Note: Amendments to the legislation can be accessed by visiting the Queensland Government's Legislation website.



Board of Management

The Board of Management (BoM) authorises strategic, budget and operational decisions affecting QCS and provides the Commissioner with advice on issues relating to strategic policy, strategic planning, corporate governance, performance management, service delivery, culture and values.

Membership of the BoM comprises:

Peter Martin APM Commissioner

Commissioner Peter Martin APM joined Queensland Corrective Services (QCS) in November 2017 after serving the people of Queensland, Australia, for 38 years in the Queensland Police Service (QPS).

He is a Doctor of Philosophy (PhD) in the Faculty of Health, School of Psychology and Counselling at Queensland University of Technology (QUT). His doctoral thesis was focused on the police role in reducing alcohol-related harm inside and outside licensed premises. Peter is an Adjunct Professor at the University of Queensland. He also has an Executive Master of Public Administration through the Australian and New Zealand School of Government and Griffith University. He has a Bachelor of Arts in Justice Administration as well as other tertiary qualifications. He is a graduate of the Leadership in Counter-Terrorism (LinCT) Pacific Program.

In 2010, Peter was inducted into the Evidence-Based Policing Hall of Fame at the George Mason University, Virginia, US. He was awarded the Australian Police Medal on Australia Day 2008 for his contribution to policing and the community of Queensland.

He is also the recipient of the Emergency Services Medal, National Police Service Medal, National Medal, the Queensland Police Meritorious Service Medal, the Queensland Police Exemplary Conduct Medal and the Queensland Police Service Medal.

Prior to his commencement as Commissioner, QCS, he was Deputy Commissioner, Regional Operations, at the QPS, with responsibility for the strategic direction, leadership, overview and review of the delivery of policing services across all five regions in Queensland.

Prior to his role as Deputy Commissioner, QPS, he held roles as Assistant Commissioner responsible for the Brisbane Region; Assistant Commissioner responsible for Operations Support Command, that included the statewide tactical and specialist elements of the Queensland Police Service; Assistant Commissioner responsible for Metropolitan North Region; and Assistant Commissioner, Ethical Standards Command.



James Koulouris
Deputy Commissioner
Organisational Capability

Deputy Commissioner James Koulouris is responsible for QCS' Organisational Capability Division, which comprises the People Capability Command, Information Technology and Asset Services Command, Financial Services and Strategic Sourcing Command, Professional Standards and Governance Command, Policy and Legal Command, Ministerial and Executive Services Command, Strategic Futures Command and the Office of the Chief Inspector.

During the reporting year, James led the delivery of phase one of Operation Certitude, Australia's first concurrent transition of two privately managed prisons to public operation; a significant capital works and infrastructure program including the \$241 million Capricornia Correctional Centre expansion project, the ongoing construction of a new \$668 million 1000-bed prison at Gatton and installation of perimeter security upgrades across multiple correctional centres; and implementation of the HR Act and key recommendations from the Crime and Corruption Commission's *Taskforce Flaxton* report, which examined corruption risks and corruption in Queensland prisons.

James has extensive senior leadership experience, gained in both Commonwealth and state jurisdictions. He began his career in the Commonwealth Public Service, where he held several senior executive positions in the Department of Families, Housing, Community Services and Indigenous Affairs, Australian Federal Police, Australian Protective Services and the Australian Transaction Reports and Analysis Centre.

In 2009, he became the Director of Strategic Initiatives and Performance with the New South Wales (NSW) Department of Premier and Cabinet. In this role, he led public sector wide reform initiatives at the request of the NSW Premier, including major components of the largest reform program in the NSW public sector. This involved the amalgamation of 180 agencies into nine new super departments with more than 400,000 staff and a combined operating budget of \$73 billion. Immediately prior to joining QCS, he was the Assistant Commissioner, Governance and Continuous Improvement in Corrective Services NSW.

He holds a Master of Public Administration and Bachelor of Economics (Social Science) from the University of Sydney, Bachelor of Laws (Honours) from Macquarie University and a Diploma of Government (Investigations). He has served on a number of public sector boards, including the NSW Commissioning and Contestability Advisory Board and the South Australian Government's Better Prisons Advisory Board.

Paul Stewart APM
Deputy Commissioner
Community Corrections and Specialist Operations

Deputy Commissioner Paul Stewart APM is responsible for QCS's Community Corrections including the High Risk Offender Management Unit and Specialist Operations including Sentence Management Services, Victims Register, Specialised Clinical Services, Offender Rehabilitation and Management Services, and Intelligence and Investigation Branch and is the senior responsible officer for a number of transformational bodies of work for QCS including the Queensland Parole System Reform and the QCS Intelligence Review.

Before joining QCS, he had a 35-year career in the QPS, holding positions including the Assistant Commissioner of People Capability Command and Community Contact Command and as the Chief Information Officer and the Director of Media and Public Affairs.

Paul's main background within the QPS was in the forensic science field, working throughout the State as a scientific officer and crime scene investigator, culminating in his role as the Superintendent, Forensic Services Branch.



He holds a Master of Technology Management and a Bachelor of Science and is a graduate of the Federal Bureau of Investigation (FBI) National Academy in Quantico, Virginia with studies in police leadership and management, human behaviour, criminal profiling and crime analysis.

During his policing career he was involved in the 1982 Commonwealth Games as a newly graduated constable, and in more recent times at the 2018 Commonwealth Games as one of three Commanders for the policing operation during the Games.

Paul is a Graduate of the Australian Institute of Company Directors and is currently a Director on the Board of the Queensland Police Citizen's Youth Welfare Association (QPCYWA) governing Police Citizens Youth Clubs (PCYC). He has also held board positions on the Prostitution Licensing Authority, Crime Stoppers Australia and Neighbourhood Watch Australasia, and leadership positions with the Australian and New Zealand Forensic Science Society and the Senior Managers of Australia and New Zealand Forensic Laboratories.

He is the recipient of the Australian Police Medal, Queensland Police Service Medal, National Police Service Medal, National Medal and the Queensland Police Meritorious Services Medal.

Gary McCahon
Deputy Commissioner
Custodial Operations

Deputy Commissioner Gary McCahon is responsible for Custodial Operations who manage over 8000 of the most challenging and complex people from our society within secure environments.

Gary has been in the correctional industry for 36 years after commencing as a prison officer in Townsville. From there he rose to the role of General Manager where, for more than 25 years, he managed correctional centres across Queensland and New South Wales. This experience has given him a deep understanding of custodial operations having been responsible for emergency response units, dog squad, women's prisons, open custody and prison farms.

Prior to rejoining QCS, he held senior positions within Corrective Services NSW including Director of Custodial Operations with responsibility for up to 12 correctional centres across the state and, most recently, he was the Director of the Corrective Services Academy.

Upon taking up the Deputy Commissioner position on 1 June 2020, he was tasked by the Commissioner with implementing the recommendations of the recently completed Officer Safety (Use of Force) review which will position QCS as the best trained and equipped correctional jurisdiction in Australia. On 3 July 2020, he stood up the Officer Safety Committee which will steward and implement the recommendations from the review.

In the coming financial year, Gary will oversee critical bodies of work including the commissioning of the redeveloped Capricornia Correctional Centre, and the operationalisation of the Southern Queensland Correctional Centre when it transitions to public operations. These works are complex and multi-faceted, requiring a One-QCS approach through significant collaboration and cooperation with the Organisational Capability Division to ensure outcomes are achieved.

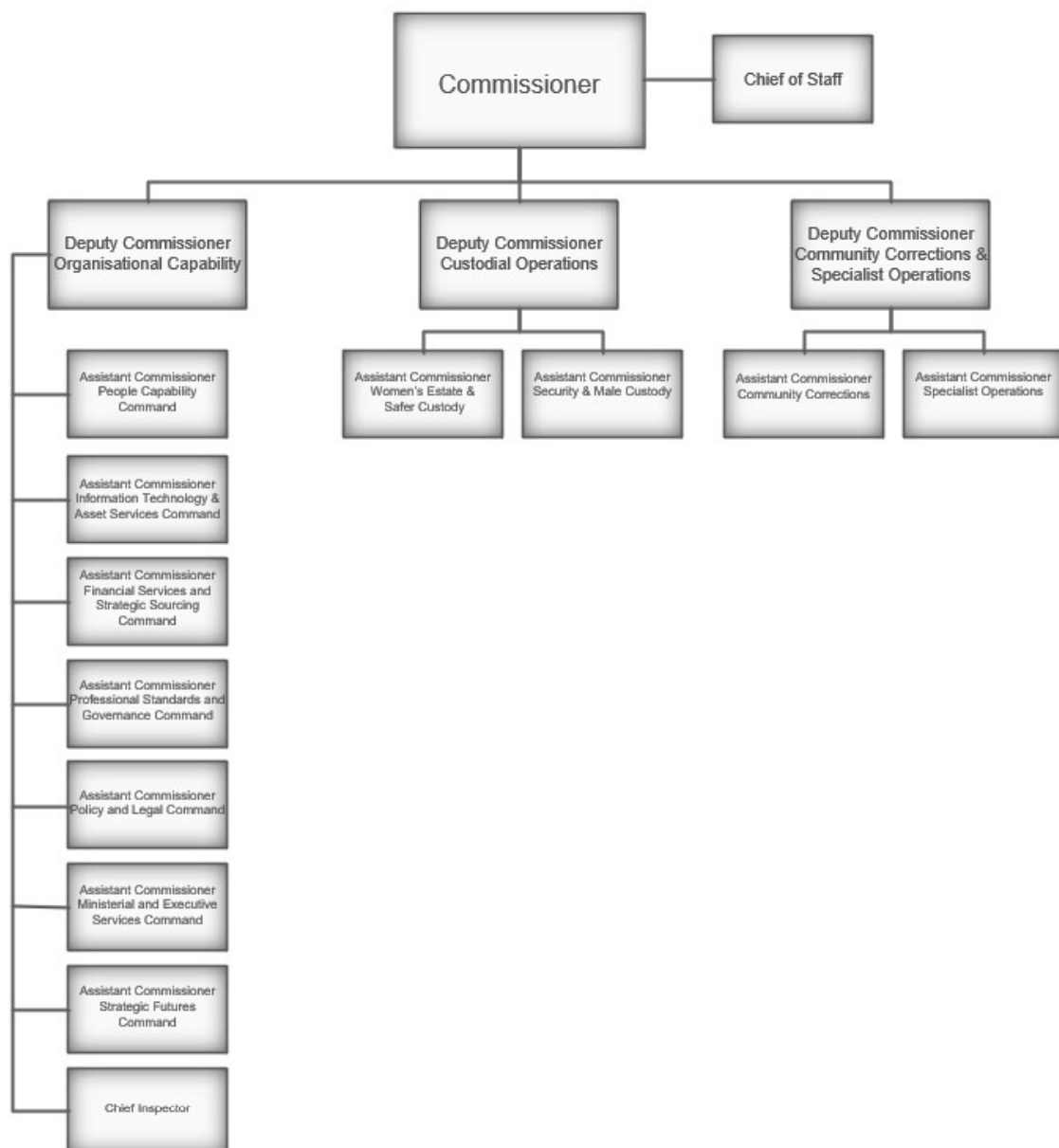
Gary brings with him a focus on core business – working with the leadership of the organisation, collaborating with agency and external partners, and driving operational leaders to achieve the outcomes expected of Custodial Operations now and into the future.



Organisational structure

Following the machinery-of-government changes in December 2017, and the December 2018 recommendations from the CCC's Taskforce Flaxton, QCS reviewed its organisational structure and started to implement a new structure.

The following diagram reflects the QCS organisational structure as at June 2020.



2020–21 outlook

QCS will continue to progress its delivery on the objectives of the 2020–2024 QCS Strategic Plan.

COVID-19 response and recovery

QCS will continue to respond to government decisions to support economic recovery post-COVID-19. A three-stage QCS Recovery Commencement Plan was developed that aligned the lifting of restrictions within QCS operations with the Queensland Government's *Roadmap to easing restrictions in the community*.

QCS will continue to closely monitor and be responsive to COVID-19 to protect the health and wellbeing of QCS officers and people in QCS' care whilst keeping the community safe. This may include continuing with the health screening of all persons and offenders entering correctional facilities, using alternative service delivery methods, and implementing restrictions in corrective services facilities as required.

QCS will continue to work closely with key stakeholders, including external service providers, Queensland Health, PBQ, QPS and the Courts, to ensure service continuity to the greatest extent possible throughout the pandemic.

Many of the initiatives implemented in response to COVID-19 will be continued as part of normal QCS operations to support the correctional system into the future.

Corrections 2030

The 10-year strategic plan, *Corrections 2030*, continues to provide all levels of QCS with a roadmap for decision-making and identifies what success looks like for a modern, evidence-based corrections department. It represents a shared commitment, from all corners of the state, to build a new future for QCS. The plan aligns with the Queensland Government's objectives for the community and guides the development of strategic and operational plans.

The vision of *Corrections 2030* is to contribute to a safer Queensland through innovative and effective corrective services. To this end, by 2030, Queensland communities will be safer and there will be fewer victims of crime.

Advancing Queensland's Priorities

QCS will continue contributing to the *Our Future State: Advancing Queensland's Priorities*: keeping communities safe, keeping Queenslanders healthy and be a responsive government. QCS is participating in a number of initiatives that aim to contribute to the target of a 10 per cent reduction over 10 years in the rate of Queenslanders who are victims of personal and property crime.



Financial performance summary

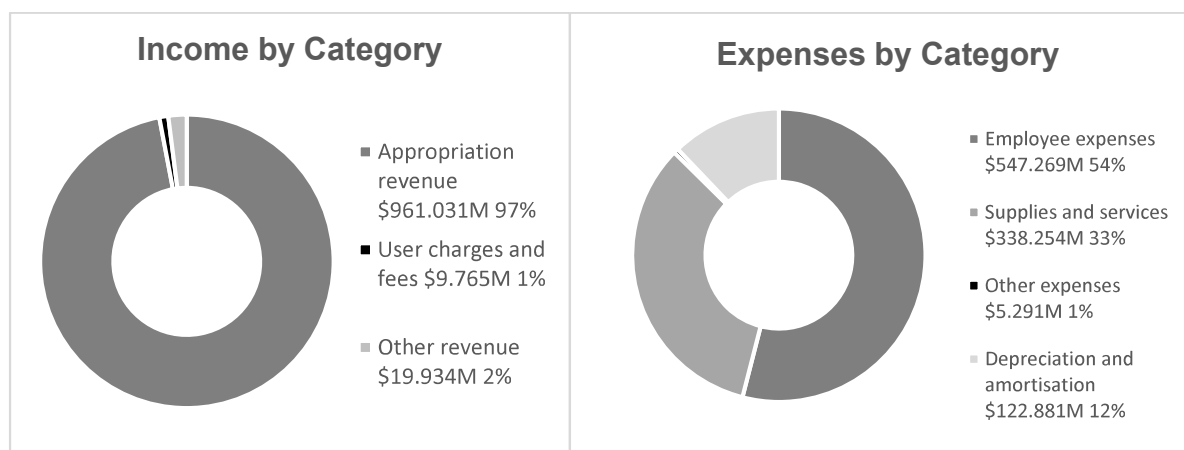
The following table summarises the operating result and financial position for the 2019–20 reporting period.

STATEMENT OF COMPREHENSIVE INCOME	2020 ACTUAL \$'000	2020 ORIGINAL BUDGET \$'000
Total Income	990,730	1,003,977
Total Expenses	1,013,695	1,003,977
Operating surplus (deficit)	(22,965)	—
STATEMENT OF FINANCIAL POSITION	2020 ACTUAL \$'000	2020 ORIGINAL BUDGET \$'000
Total assets	2,774,546	2,726,195
Total liabilities	67,184	54,133
Net assets/equity	2,707,362	2,672,062

Income and expenses

QCS is funded to enhance the safety of Queenslanders through modern, sustainable and evidence-based corrective services to maximise rehabilitation and reduce recidivism. Funding for these services is received principally through parliamentary appropriation.

QCS also receives income from other revenue sources including user charges and fees comprising the sale of goods and services to prisoners, prison industries, government grants and contributions. For the reporting period, QCS received income totalling \$990.730 million.



For the reporting period, QCS incurred total expenditure of \$1.014 billion. Its two largest expense categories are employee expenses and supplies and services.

Operating Result

The operating result for the department is a loss of \$22.965 million for the 2019–20 reporting period. The loss is a result of fluctuations in prisoner numbers and service demands driving growth in costs which were not anticipated within existing funding models and budgetary allocations.

Summary of financial position

The total net assets/equity of QCS as at 30 June 2020 was \$2.707 billion.

Property, plant and equipment forms the majority value of QCS' net assets. The major value resides in high security correctional centre assets across the state and includes 12 high security correctional centres, seven low security correctional centres and 13 work camps. The capital works asset balances of \$229.284 million reflect various upgrade, expansion and enhancement projects underway across correctional centres.

Property, plant and equipment capital acquisitions for the reporting period was \$119.090 million, the highlight being over \$88 million invested in construction for the expansion of the Capricornia Correctional Centre during 2019–20, which will deliver an additional 348 cells.

Comparison of actual financial results with budget

Provision of budgetary reporting disclosures in note 25 of the financial statements allows comparison of the actual financial results of the operations of QCS with the original budget published in the State Budget Papers 2019–20 Service Delivery Statements. This is consistent with the government's commitment to more transparent financial reporting.

Chief Financial Officer statement

The Assistant Commissioner, Financial Services and Strategic Sourcing Command, is the appointed Chief Financial Officer (CFO) responsible for the financial administration of the department.

In accordance with section 77(2)(b) of the *Financial Accountability Act 2009* (the Act), the CFO has provided the Commissioner with a statement conforming with section 57 of the *Financial and Performance Management Standard 2019* attesting that QCS' financial internal controls are operating efficiently, effectively and economically. The CFO for QCS has fulfilled minimum responsibilities of the role as defined in section 77(1) of the Act.



Service Performance (2019–20 service highlights)

In 2019–20, QCS made significant progress in delivering on the objectives of the 2019–23 QCS Strategic Plan as follows.

Safer correctional environments

Corrections 2030

Corrections 2030 was launched on 12 August 2019. The development of QCS' 10-year strategic plan was influenced by world's best practice in corrections and extensive consultation with QCS staff across the state and a range of stakeholders, including unions, non-government service providers, representatives of Aboriginal and Torres Strait Islander communities, oversight bodies and QCS' partners in criminal justice and human services departments.

Corrections 2030 identifies the core principles that should underpin everything QCS does – safety, excellence, empowerment, respect and accountability – and is the cornerstone to implementing priorities for corrective services in Queensland.

To support the delivery of *Corrections 2030*, QCS' work in 2019–20 focused on promoting safer correctional environments, humane management of prisoners and offenders, strengthening partnerships and collaboration, and reducing crime, while also empowering a professional workforce and driving innovation.

Operation Certitude

On 26 March 2019, the Queensland Government announced its decision to transition Queensland's two privately run prisons, AGCC and SQCC, to public operations by QCS.

The transfer of the two private prisons is one of the most complex transactions in the 170-year history of QCS. The first phase of this project was successfully completed on 1 July 2020 when the AGCC joined the QCS portfolio. The transition was achieved successfully on time and on budget.

Over a 14-month period, QCS undertook extensive implementation planning and tactical preparation to ensure a safe and secure transition. The volume of simultaneous transition activities across operational delivery, recruitment, training, legal, health, technology, infrastructure works, and process change was unprecedented. To support the transition, QCS undertook the largest recruitment activity in its history and welcomed 400 transitioning officers, and 200 new recruits and internal transfers.

Notwithstanding the logistical challenges, the transition of AGCC was finalised while responding to the COVID-19 pandemic and addressing the emerging risks. The success of the transition was achieved due to the excellent collaboration across QCS and with partner agencies, including Queensland Health and the Department of Housing and Public Works.

Public management of all prisons will provide QCS with more direct policy and operational levers to reduce the demand on the correctional system. QCS has already commenced the implementation planning activities associated with the transfer of SQCC, which is scheduled to occur from 1 July 2021.

Operation Impala

The CCC's Operation Impala examined the practices of a representative group of Queensland public sector agencies regarding the management of confidential personal information.



The report from the investigation recommended a management framework for confidential information conceptually influenced by Privacy by Design as a recognised global standard promoting privacy protection. QCS was positively represented by the report as an agency that treats potential misuse of confidential information as a serious matter, reports such allegations, applies sanctions and is willing to pursue post-separation action.

During 2019–20, actions QCS undertook in response to Operation Impala’s recommendations included:

- re-enforcing expectations of staff regarding information privacy and preservation of confidentiality through broadcast messages to staff, log-on warnings, screensaver messages and posters in the workplace
- ensuring QCS training programs regarding information management are conducted annually; QCS will continue to broaden delivery methods, including a train-the-trainer program
- implementing on-line learning and video modules to ensure appropriate coverage of ICT access and use
- implementing an interim Learning Management System managed by the QCS Academy
- ensuring all computer databases where confidential information is stored have unique user identifications log-ons
- ensuring additional access control mechanisms are implemented on ‘protected’ confidential information of vulnerable people
- conducting quarterly user access reviews and monitoring of user access changes, including Integrated Offender Management System (IOMS) system access
- proactively identifying potential misuses of IOMS information, in response to Taskforce Flaxton recommendations
- commencing an independent review to verify classification ratings across all business systems
- conducting audits of shared data using a risk-based approach, with plans for more frequent audits of shared data with partner agencies
- reviewing the Acceptable Use of ICT Services, Facilities and Devices Policy, to ensure clarity and consistency in its references to confidential information, unauthorised use and unauthorised disclosure, the Code of Conduct, disciplinary actions and criminal conduct; and to include de-identified case studies on misuse of confidential information
- adopting an investigation methodology that considers the opportunity to undertake post-separation disciplinary action should an employee separate from the agency.

Queensland Sentencing Advisory Council

In July 2019, the Queensland Sentencing Advisory Council (QSAC) released the final report of its review into community-based sentencing orders, imprisonment and parole options. The report responded to recommendations 3 and 4 of the QPSR, which identified a lack of flexibility in sentencing – particularly community-based sentencing – and recommended the review be completed.

QSAC made 74 recommendations in the report and proposed a comprehensive package of sentencing reforms to improve the flexibility of the current sentencing framework. These reforms included extending court-ordered parole beyond the three-year limit, removing parole as an option for short sentences of imprisonment and introducing home detention.

Queensland Productivity Commission

In September 2018, the Queensland Government directed the Queensland Productivity Commission to undertake an inquiry into imprisonment and recidivism. The inquiry examined ways to reduce the number of people flowing through Queensland’s prison system, whilst improving outcomes for the broader community.



The final report, *Inquiry into imprisonment and recidivism (2019)*, was released in January 2020. It made 42 recommendations aimed at making individuals, families, and communities safer by implementing strategies that lower rates of recidivism while better managing justice system costs generally and imprisonment levels specifically. The Queensland Government responded to the report on 31 January 2020. An Implementation Committee will guide delivery of the necessary criminal justice system reforms.

Capricornia Correctional Centre expansion

The Capricornia Correctional Centre expansion project, which was approved on 31 January 2017, is on track to be finalised by June 2021. In 2019–20, the residential units R6 to R12 and secure units S11/12 were completed pending commissioning. Once commissioned, these units will provide an additional 338 beds, with the remainder to be finalised in 2020–21.

Southern Queensland Correctional Precinct expansion

In 2019–20, QCS commenced the design of the \$654 million SQCP Stage 2. This project will deliver a health- and rehabilitation-focused correctional centre that will provide specific purpose-built facilities for the humane and safe management of male prisoners with complex needs. Site establishment is scheduled for August 2020, with construction to be completed by October 2023. Over four years, this project will support approximately 437 jobs in the region, and during peak periods of construction it will support up to 900 jobs. On commissioning of the centre in 2024, a further 500 jobs will be created in the region.

Statewide bunk beds project

The installation of 1000 bunk beds was initially approved in 2017–18 and was completed in December 2018. In December 2018, the government approved \$15 million for an additional 1000 bunk beds to be installed in Queensland's high security correctional centres. Since the commencement of the program in 2017-18; 1,750 of 2000 bunk beds have been installed as at 30 June 2020. The remaining bunk beds and associated life protection and fire safety upgrades are due to be completed in 2020–21.

Strengthening the QCS anti-corruption framework in response to Taskforce Flaxton

The report of the CCC's Taskforce Flaxton review – *Taskforce Flaxton: An examination of corruption risks and corruption in Queensland prisons* (2018) – made 33 recommendations to reform QCS' anti-corruption framework, improve external oversight mechanisms and safety for staff and prisoners, increase accountability and transparency, and raise performance standards.

In response, QCS has implemented a new organisational structure to better position QCS to implement the CCC's recommendations. This included the formation of the Professional Standards and Governance Command (PSGC) to strengthen QCS' internal review functions and investigation capability. The PSGC provides an empowered professional standards capability and enhanced integrity and governance functions to proactively monitor, investigate, detect and prevent corruption and risk of corruption in Queensland prisons.

Since the government announced the transition of Queensland's two private prisons to public operation, QCS completed the transition of one of them, the AGCC, on 1 July 2020. QCS is centralising several key functions to improve accountability and transparency and implement a number of initiatives to improve information security. QCS has implemented cultural reform and is developing an organisational culture strategy to support and sustain transformation. The new centralised structure underpins the significant business and operational transformation occurring within QCS over the next five years and will promote enhanced internal communication and collaboration.



Additionally, QCS has undertaken a holistic review of its intelligence services, considering the collection, analysis and dissemination of data. This data forms the basis of intelligence products and evidence that describes current and potential future risks to safety and security in the environment. The review guides officers in the systematic dismantling and prevention of offending and corruption through intelligence-led decision-making.

Anti-Corruption Strategy

A priority for QCS following Taskforce Flaxton has been the development of the QCS Anti-Corruption Strategy 2020–2025. The strategy is supported by the Anti-Corruption Action Plan 2020–2021.

The strategy builds on the foundations established in response to Taskforce Flaxton and contributes to organisational and cultural reform by establishing a holistic, enterprise-wide approach to preventing, detecting and responding to corruption and corruption risks. The four overarching objectives of the strategy reflect the necessary elements identified by the CCC for an effective anti-corruption framework for Queensland prisons. These objectives are to improve safety and security; promote integrity and impartiality; increase transparency and accountability; and embed performance standards.

Body-Worn Cameras

As at 30 June 2020, 219 Body-Worn Cameras (BWCs) were available for use in correctional centres across the state. In addition, 4,097 load-bearing vests have been delivered to publicly operated correctional centres and the Escort and Security Branch for the secure attachment of cameras and other security accoutrements. A dedicated Culture, Safety and Wellbeing Group has been established to enhance the health and safety leadership and coordination across QCS, which will deliver improvements and consistency in processes, procedures and systems. QCS has also partnered with the University of Queensland to undertake a study into corrective services officers' experiences and attitudes towards the use of BWCs. This important research will help shape the future direction of BWCs within QCS.

Drug and Alcohol Strategy

The QCS Drug and Alcohol Strategy 2020–25 establishes an enterprise-wide approach, with the three overarching objectives of preventing and deterring the supply, reducing the demand and reducing the harm associated with alcohol and another drug misuse. It covers all of QCS' operations, including QCS staff, prisoners and offenders.

The strategy sets a clear direction for QCS over the next five years to deliver on the objectives of *Corrections 2030* and contributes to a range of state and Commonwealth policy priorities. By ensuring consistency with the broader policy context, the strategy links custodial and community corrections operations with broader social policy objectives.

Workplace Health and Safety

Safety has been reinforced as a priority, with QCS expanding its organisational capability to better manage health, safety and wellbeing issues. A new Culture, Safety and Wellbeing Unit focuses on more proactive measures to build capability across local and frontline work units.

QCS engaged the Office of Industrial Relations (OIR) to participate in the OIR's Injury Prevention and Management Program. Incorporated in the action plan will be the implementation of all accepted recommendations from independent internal and external reviews of QCS safety management systems and processes completed in the past year. The adopted system will be modelled to comply with AS/NZS ISO 45001:2018, *Occupational health and safety management systems – Requirements with guidance for use*.

Progress in developing health, safety and wellbeing has been significantly impacted by the diversion of effort to support COVID-19 pandemic responses.



Research and evaluation

In 2019–20, QCS continued its commitment to evidence-based policy and practice by leading and managing complex research projects and evaluating programs and outcomes from the QPSR.

The QCS Research and Evaluation Group managed a range of externally contracted projects including evaluations of QCS' re-entry services MARA and Community Re-Entry Services Team, the Aurukun Justice Reintegration Program, and the Borallon Training and Correctional Centre model. QCS commenced an evaluation of its Domestic and Family Violence Program trial, a literature review of Right-Wing Extremism and research into suicide and attempted suicide amongst Queensland prisoners. QCS also continued to support researchers who received grants as part of the 2018–19 Research Grants Scheme to complete research projects of interest, and supported local universities to undertake research projects, including more than 20 researchers undertaking projects within QCS.

Partnering with the Griffith Criminology Institute, QCS held the second annual QCS Research Symposium entitled '*Corrections 2030: safer, ethical, humane and effective corrections*' in September 2019, to examine the cost and opportunities of incarceration, effective correctional supervision and rehabilitation, and mature ethical corrections.

Organisational Performance Management Framework

During 2019–20, QCS finalised the organisational performance framework as an initiative of *Corrections 2030*. It includes 17 key performance indicators and 21 measurable service standards that align to core service delivery areas. The framework will guide the commencement of operational performance reviews in 2020–21, which will hold each correctional facility, community corrections region and central office command accountable for organisational performance and delivery of outcomes.

Officer Safety (Use of Force) Review

In 2018–19, QCS commenced a systemic review of the use of force and the way QCS can provide long-term and sustainable improvements to safety. The aim is to increase safety for staff, prisoners and offenders under its care by reducing the risk of violence in the correctional system. The review was facilitated through a working party of key stakeholders who have national and international practical experience and perspectives on officer safety best practices. The review is now complete, with the draft Officer Safety (Use of Force) Review provided to stakeholders for consultation in June 2020.

The review made a number of short and long-term recommendations to enhance safety across the correctional system. Implementation of these recommendations will start in the 2020–21 financial year. In the interim, QCS has taken a range of initial measures, including:

- distributing load-bearing vests and BWCs to publicly operated correctional centres
- boosting corrective services officer numbers in response to increases in the prisoner population
- adopting new training modules
- launching a trial of forward deployment of chemical agents
- introducing a safer engagement strategy to manage difficult prisoners
- adopting the QPS Communicating with Influence Program
- establishing the Tactical Skills and Weapons Training Unit at the QCS Academy
- implementing local-level and corporate oversight mechanisms for use of force.

Perimeter security upgrades

In 2019–20, \$6.27 million was spent on completing the correctional centre perimeter security upgrade program across five correctional centres. The perimeter security upgrades at Wolston Correctional Centre, AGCC, Townsville Correctional Centre, Woodford Correctional Centre and Maryborough Correctional Centre have been completed and are now in a cutover stage with fault rectifications in progress.



Humane management of prisoners and offenders

Strengthening the parole system through the Queensland Parole System Review

In December 2016, Mr Walter Sofronoff QC delivered the QPSR final report, containing 91 recommendations, of which 89 have been supported or supported in-principle by the Queensland Government.

As at 30 June 2020, 46 of the 89 accepted recommendations have been completed. Key achievements already in place include:

- legislative changes made to the *Corrective Services Act 2006*
- establishment of PBQ
- finalisation of an expert review into offender assessment tools and management frameworks
- allocation of over 140 additional frontline officers to community corrections
- implementation of the global positioning system (GPS) parole monitoring program
- establishment of a Research and Evaluation Group
- implementation of a new post-release housing support program for prisoners exiting custody
- expansion and/or relocation of Community Corrections offices
- establishment of the Specialised Clinical Services Unit for high harm and complex need assessment and case management
- expansion of alcohol and other drugs and re-entry programs for prisoners and offenders
- implementation of opioid substitution treatment in some correctional centres.

In 2019–20, QCS has seen substantial progression of significant, critical initiatives for this program of work, including the development of an end-to-end case management framework for individuals managed by QCS and the redevelopment of a front-end community corrections training program in partnership with Griffith University.

QCS is working closely with other Queensland Government departments to deliver on recommendations that cannot be delivered by QCS alone. A whole-of-government approach is the only way to achieve, real, long-term results that assist prisoners to succeed whilst on parole.

QCS is successfully leading the actions from the QPSR and continues to progress remaining recommendations. They will consolidate the government's position and the community's expectations of a parole system that underpins community safety, by providing prisoners and offenders with opportunities for rehabilitation across the entire corrections system.

Case Management Units

QCS has led a significant progression of critical initiatives to ensure that a person's contact within the correctional system and more specifically, their contact with each staff member, contributes to potential desistance from crime.

To achieve this, QCS has designed and developed an evidence-based end-to-end case management framework for prisoners and parolees, which is a fundamental feature of the QPSR recommendations. This framework would be facilitated by the introduction of Queensland's first Case Management Unit (CMU). CMUs to include a multi-disciplinary team drawn from senior case management officers, practice support, intelligence analysts, and administrative and management-level staff.



Suicide Prevention Action Plan

QCS continued to implement the Queensland Mental Health Commission's Suicide Prevention Action Plan during 2019–20. Work undertaken included:

- implementation of the Build Don't Break Resilience program for prisoners and offenders
- ongoing monitoring, review and capability building activities regarding QCS suicide prevention processes and procedures, including development of training modules and professional development programs
- implementation of a number of workforce strategies that aim to enhance specialised governance and support, and attraction and retention of QCS psychologists and senior psychologists within custodial settings.

Offender Health Services Review

In 2019–20, the Queensland Government invested an additional \$94 million over four years, with \$31.4 million ongoing, to support comprehensive primary healthcare for prisoners.

Continuing the work of the Offender Health Services Review, whose final report was published in 2018, QCS has worked closely with Queensland Health to develop a new statewide Memorandum of Understanding (MOU) for Prisoner Health Services. This MOU will facilitate the efficient and effective provision of health services to prisoners and improve the health and wellbeing of prisoners.

QCS continued to participate in the Prisoner Health and Wellbeing Leadership Group, chaired by the Deputy Director-General, Clinical Excellence Queensland from Queensland Health. The group provides high-level strategic leadership and direction on joint correctional and health system strategies to improve the health, wellbeing and future life prospects of prisoners, in collaboration with Queensland Health, Hospital and Health Services, the Department of the Premier and Cabinet and Health Consumers Queensland.

Progress has also been made towards developing a Queensland Prisoner Health and Wellbeing Strategy, a joint commitment between QCS and Queensland Health. To measurably improve the health and wellbeing of people in prison requires a shared commitment to work together across the health system and correctional system and to work with other sectors and stakeholders.

Embedding culturally appropriate practices and services for Aboriginal and Torres Strait Islander prisoners and offenders

QCS acknowledges that Aboriginal and Torres Strait Islander people are over-represented in the criminal justice system. QCS continues to employ a range of strategies to reduce this over-representation, including:

- programs in correctional centres and the community that address substance abuse and family violence in a culturally appropriate and sensitive manner
- the Aurukun Prisoner Reintegration Project to support prisoners returning to Aurukun
- cultural liaison and cultural development officers, employed in secure correctional centres, to provide support and guidance to prisoners
- Aboriginal and Torres Strait Islander Elders groups and chaplaincy services.

During 2019–20, QCS' Aboriginal and Torres Strait Islander unit, the Murrighagun Cultural Centre, continued to provide advisory, planning and support services to QCS and relevant prisoners. The Murrighagun Cultural Centre provides a priority reference point on matters designed to address the needs of Aboriginal and Torres Strait Islander corrective services officers, prisoners, offenders and victims, and delivers a range of culturally appropriate services and programs for Aboriginal and Torres Strait Islander people.



The QCS Aboriginal and Torres Strait Islander Reference Group continued to bring together Aboriginal and Torres Strait Islander officers from across the state to provide advice and support to senior management and others regarding Aboriginal and Torres Strait Islander issues. The reference group assisted in the development of a new Aboriginal and Torres Strait Islander Recruitment Strategy and continued to assist in the development and implementation of a QCS Reconciliation Action Plan and Cultural Capability Action Plan.

In 2019–20, the Murridhagun Cultural Centre delivered the Aboriginal and Torres Strait Islander Mental Health First Aid Program to staff from QCS; QPS; Queensland Health; Department of Youth Justice; Department of Child Safety, Youth and Women; Community Justice Group members; and Elders. This program focuses on the social and emotional wellbeing of Aboriginal and Torres Strait Islander people, suicide and self-harm, alcohol and other drugs, psychosis, eating disorders and gambling. Since it commenced in 2017, more than 1,160 people have completed the program.

The QCS Academy also continued to provide cultural-specific training, including culturally responsive training delivered by Aboriginal and Torres Strait Islander corrective services officers.

Human Rights Act 2019

The HR Act (section 97(2)) requires that QCS report annually on details of actions taken during 2019-20 to further the objectives of the Act, including details of any review of policies, practices or services undertaken in relation to their compatibility with human rights.

QCS is committed to humanely managing prisoners and offenders and welcomed the introduction and full commencement of the HR Act from 1 January 2020. The HR Act protects the rights of those deprived of their liberty, an internationally recognised right that reflects prisoners' vulnerability. QCS is committed to implementing the HR Act meaningfully and delivering on its commitment while managing vital day-to-day business.

To further the objectives of the HR Act, QCS has:

- conducted a comprehensive review of existing policies and procedures, and developed and distributed resources and products to embed a human rights culture into daily operations
- designed a three-tiered approach to coordinate and facilitate training and education in relation to human rights for staff
- continued to work with the Human Rights Unit within DJAG to consider human rights in the development of legislative proposals and is committed to ensuring that the engagement and potential limitation of human rights is appropriately considered
- reviewed the internal complaints processes and amended the complaints management system, Resolve. QCS continues to review the complaint management policy and the administration handbook for ease of logging complaints.

To date, 5,407 (93 per cent) of QCS staff have completed the online training on public entities and the HR Act. All new recruits have undertaken the online training and the training is also included as part of their induction process.

The tier two model of the training – that is, the train-the-trainer model – has been postponed due to the COVID-19 restrictions. As at 30 June 2020, all identified high priority and medium high priority operational policies have been reviewed to incorporate the HR Act requirements and all other priority policies are currently under review.



Partnering and community collaboration

Housing for parolees at risk of homelessness

QCS partnered with a range of Queensland Government departments and not-for-profit organisations to enhance housing outcomes for prisoners. In January 2018, QCS partnered with the Department of Housing and Public Works (DHPW) and the women's re-entry service provider MARA – SERO4 to deliver the Next Step Home – Women on Parole pilot to provide post release support to women housed through the initiative. The pilot has been extended for a further 12 months to 30 June 2021.

In August 2018, the DHPW contracted Sisters Inside to support women in the Next Step Home – Women on Parole initiative in North Queensland.

In October 2018, an Intergovernmental Housing Taskforce delivered a report to the QPSR Implementation Committee, detailing options and recommendations for suitable long-term accommodation for prisoners released from custody. In response, QCS partnered with St Vincent de Paul and established the Post-Release Supported Accommodation (PRSA) service in 2019 to assist male prisoners who had limited or no accommodation options, where a lack of suitable accommodation is a barrier to their release from custody to parole. The PRSA service provides stable accommodation whilst building the participant's self-efficacy, to reduce recidivism and support success on parole.

The PRSA service is available for men exiting to parole supervision in Toowoomba, Moreton Bay, Townsville and Cairns. More than 40 per cent of participants released via the PRSA service identified as either Aboriginal peoples and Torres Strait Islander peoples. QCS and DHPW are in the process of streamlining applications for prisoners to apply for housing.

Victims Register

QCS is committed to enhancing community safety, including enhancing the safety and wellbeing of victims of crime. During 2019–20, the QCS Victims Register delivered a valuable service to registered persons by informing them of important events in the sentences of those whom they are registered against. Registered persons were provided with critical information, such as a prisoner's release date or relevant movements, to give them the opportunity to access support services or to take precautionary measures and implement safety planning strategies in preparation for a perpetrator's release. The Victims Register also advised registered persons when a prisoner had made an application for parole, excluding exceptional circumstances parole, and provided them with the relevant forms to make a submission to PBQ. Since 2017, victims of domestic and family violence are eligible to register, regardless of the nature of the offence for which the prisoner is sentenced.

For prisoners managed under the *Dangerous Prisoners (Sexual Offenders) Act 2003*, the Victims Register provided registered victims with the relevant information to make a submission to the Supreme Court about a prisoner's initial order and any subsequent contravention hearings.

As at 30 June 2020, there were 1,371 active registrations on the QCS Victims Register. In 2019–20, there were 402 new applications resulting in registration with the QCS Victims Register, with 229 (57 per cent) of these applications being identified as related to domestic and family violence.

Opioid substitution treatment in correctional centres

Opioid dependence has significant impacts on the Queensland community, and the criminal justice and health systems. It is a chronic, relapsing condition and can be a driver for criminal activity.



Opioid substitution treatment (OST) is the legal administration of an opioid under medical supervision to eliminate the cravings and withdrawal symptoms associated with opioid dependency. OST has been found to reduce the spread of blood-borne viruses and reduce post-release mortality.

QCS and Queensland Health have partnered to implement the OST program in all women's correctional centres in Queensland and at the Townsville and Lotus Glen men's correctional centres, with reported improvements in prisoner health, wellbeing and behaviour. Work has now commenced to introduce the use of long-acting injectables as part of the suite of clinical tools in the delivery of OST.

Community service projects

Community service provides an excellent opportunity for offenders to make reparation to the community affected by their offending behaviour and to develop employment skills. Reparation work is performed by offenders in the community under Community Service Orders, Graffiti Removal Orders, Alcohol Fuelled Violence Orders, Intensive Correction Orders and Work and Development Orders.

Community service projects vary across districts and include beautification and maintenance activities such as rubbish/waste removal; graffiti removal; restoration of parks, facilities, and waterways; and work with charities and animal welfare organisations.

Eligible low security prisoners can also perform community service in communities near the correctional centres or at work camps across Queensland. The Work Program provides regional communities with a valuable source of labour, as the projects and work carried out are unique to their location and community needs. Work carried out by prisoners includes maintenance of fences, cemeteries, heritage sites, playgrounds and showgrounds, and contributing to other projects in regional communities. The Work Program also provides assistance to communities devastated by floods, storms or other natural disasters.

In 2019–20, QCS partnered with not-for-profit organisations and local councils to supervise offenders performing unpaid community work as part of a court order or as part of unpaid debt registered with the State Penalties Enforcement Registry (SPER). During this period, prisoners on the Work Program completed more than 117,750 hours of community service equating to \$3.1 million worth of labour provided to support regional Queensland; offenders in the community completed more than 244,965 hours of court-ordered reparation work equating to \$6.9 million worth of labour provided to the community.

Work and Development Order Scheme

Work and Development Orders made by SPER enable individuals who cannot pay their SPER debt due to hardship to pay off eligible amounts of their debt by undertaking activities supported by approved sponsors.

QCS continued to support SPER with the rollout of the scheme during 2019–20, with SPER customers completing more than 98,000 hours of community service equating to \$3.0 million of debt recovered. In 2019–20, despite the impact of COVID-19, the Helana Jones Centre expanded this service to trial its ongoing suitability for other low custody sites, repaying \$16,070.



Stop crime

Expanded programs and services

The reduction of crime and reoffending is a core focus of all activities, rehabilitation and re-entry programs and services delivered by QCS. The current suite of QCS programs and services target employability, education, family and parenting, violence and domestic violence, substance misuse, psychological wellbeing and sexual offending, with the goal of helping prisoners on their rehabilitation journey.

The Offender Programs and Services Accreditation Panel ensures all offender programs are evidence-based and meet nationally accredited standards known to support desistance from offending. QCS also engages and collaborates with external agencies, academic institutions and service providers to maximise rehabilitative outcomes. The key objective is ensuring prisoners are appropriately connected to evidence-based services and support when it is needed most.

In 2019–20, QCS continued to deliver expanded alcohol and other drugs rehabilitation programs funded through the QPSR, including a range of lower- and higher-intensity programs and programs designed and delivered for Aboriginal and Torres Strait Islander individuals.

Despite the impacts of COVID-19, QCS achieved over 3,700 program completions in the 2019–20 financial year.

Expanded re-entry services

In 2019–20, QCS delivered more than 48,000 instances of re-entry support to prisoners and offenders.

Re-entry services for women in Northern Queensland were expanded to allow an integrated and culturally safe model of non-clinical service delivery for women returning to the community. This expansion removed criteria that limited access, to ensure commensurate access to services across all women's re-entry services and included enhancements of both in-prison based interventions and post-release supports.

Through the allocation of additional funding, the service has significantly increased in the number of women engaged for post-release support. As at 30 June 2020, the demand for the service was continuing to grow and 387 women had accepted support.

Expansion of specialist domestic and family violence courts

The Domestic and Family Violence (DFV) Court is an integrated model for handling civil applications for protection orders and some criminal matters related to DFV. The model enhances the coordination of matters between the court, DFV services, police prosecutors and duty lawyers to better support victims of DFV and hold perpetrators accountable.

The specialist DFV courts located at Southport, Beenleigh, Townsville and Mount Isa have dedicated QCS staff who assist the court by providing relevant information to the magistrate for the purpose of sentencing decisions, prosecuting matters relating to breaches of community-based orders and coordinating services between QCS and other stakeholders. QCS staff from Townsville Community Corrections also provide a court advisory service to the specialist DFV court located on Palm Island as required. Management teams from community corrections in the South Coast (Beenleigh, Southport) region and the Northern (Townsville, Mount Isa and Palm Island) region are active participants in the stakeholder liaison and operational working groups in their respective regions.



An integrated response to address domestic and family violence

QCS supervises perpetrators of DFV as well as victims who have come into contact with the criminal justice system for their own offending behaviours. QCS continues to explore ways to protect the community from DFV through rigorous case management practices of DFV perpetrators and victims in collaboration with specialist organisations, and the facilitation of effective DFV perpetrator programs.

QCS has dedicated High Risk Team senior case managers in eight High Risk Team locations across Queensland (Logan/Beenleigh, Cherbourg, Mt Isa, Brisbane, Ipswich, Cairns, Mackay and Caboolture), in line with recommendation 74 of the 2015 report by the special Taskforce on DFV in Queensland titled *Not Now, Not Ever: Putting an end to domestic and family violence in Queensland*. These specialist officers liaise with other government departments and specialist services to deliver quality safety management planning for victims, and to ensure QCS is holding perpetrators under supervision accountable.

QCS also plays an integral role in local multi-agency responses to address DFV at a community level and maintains strong relationships with external stakeholders to swiftly respond to risk. Information is shared, in line with Part 5A of the *Domestic and Family Violence Protection Act 2012*, with other prescribed entities, specialist DFV services and support services, including QPS and the PBQ, to improve the safety of victims of DFV and better hold perpetrators to account.

Education and training

QCS provides education and training opportunities to help prisoners develop skills for life and to reduce the likelihood of reoffending after release. QCS facilitates a range of vocational training and literacy programs that provide prisoners with skills to gain employment when released from custody. Vocational education and training programs delivered by Registered Training Organisations in all Queensland correctional centres include courses in arts, asset maintenance, automotive business, clothing production, community services, conservation, construction, engineering, first aid, fitness, furnishing, hairdressing, health, horticulture, hospitality, information technology, and mining and warehousing logistics.

In order to assist prisoners to build literacy skills, nationally accredited literacy and numeracy courses are delivered by Registered Training Organisations across Queensland correctional centres, delivered by external service providers or under the Certificate III Guarantee program. Secondary level courses in Mathematics and English, as well as additional studies of literacy and numeracy, are delivered via distance education, and tertiary education is delivered through partnerships with universities.

In 2019–20, prisoner participation in education has remained consistent with the participation rate from previous years, except for April/May 2020, when participation was affected by stage-3 restrictions in correctional centres as a result of the COVID-19 pandemic.

Substance misuse programs and services

QCS provides rehabilitation programs and individual interventions, in prison and in the community, to address substance misuse. In this way, QCS provides treatment pathways regardless of level of motivation, time in custody or under a community-based order, or level of need.

In 2019–20, programs included:

- Short Intensity Substance Intervention – psycho-education programs that educate participants about substance use, related behaviours and consequences
- Low Intensity Substance Intervention – a range of psycho-education programs that use motivational interviewing and contingency management approaches to reduce problematic substance use or reduce drug-related harm
- Moderate and High Intensity Substance Interventions – programs that are relapse-prevention-based
- Substance Abuse Maintenance Interventions – aimed at providing support to offenders who have previously completed a substance program.



QCS delivers a Positive Futures Program, a culturally sensitive program to eligible male Aboriginal and Torres Strait Islander prisoners and offenders, to help them address aspects of their offending behaviour, which may include problematic substance abuse.

Sexual offending programs

The suite of sexual offending programs delivered to prisoners and offenders aim to reduce sexual offending recidivism.

During 2019–20, QCS delivered sexual-offending-specific programs, including a high-intensity sexual offender treatment program, a moderate-intensity sexual offender program, a sexual offender program for prisoners with a cognitive impairment, a culturally adapted Indigenous sexual offender program, a preparatory program and a maintenance program.

Evaluations of the QCS sexual offending programs identified that offenders who complete a program reoffend at a lower rate than sexual offenders who do not participate, across sexual offending, violent offending and combined 'all offending' categories.

Transition to the National Disability Insurance Scheme

Research in Australia and internationally indicates that people with disability are over-represented in the criminal justice system; and indeed, research commissioned by QCS in 2018–19 further demonstrated that the prevalence of some forms of disability is higher among prisoners compared to the general population. In 2019–20, QCS was allocated \$2.9 million to build on the successful Service Delivery Reform (SDR) project that commenced in 2018–19 to improve service delivery for prisoners with disability or mental illness.

QCS continued to support prisoners and offenders with disabilities to access the National Disability Insurance Scheme (NDIS). QCS also worked with key agency partners and other states and territories to implement the full-scheme NDIS and commissioned an external review to provide recommendations for a sustainable model of enhanced psychological and disability services for the future. This was led through the establishment of the Psychological and Disability Services Redesign (PDSR) project.

Upon admission to a correctional centre, all prisoners are assessed in terms of their risks and needs. Correctional centre staff use the Immediate Risk Needs Assessment and the Hayes Ability Screening Index for all new admissions to identify whether a prisoner may have an intellectual disability. In 2019–20, QCS updated the Immediate Risk Needs Assessment to include specific questions to determine if prisoners are current or potential NDIS participants.

In addition to developing operational guidelines and handbooks for working with prisoners with a disability, in 2019–20, QCS developed a guide to working with cognitive impairment to provide further support to operational staff and to enhance outcomes for prisoners.

Specialised clinical services for high harm and complex needs offenders

The Specialised Clinical Services Unit (SCSU) primarily focuses on supporting community safety and reducing the number of future victims through assessing and providing interventions for the highest harm and most complex needs offenders, including those with complex mental health presentations. The SCSU is a multi-disciplinary unit funded through the Queensland Government's response to the QPSR. The SCSU has strong professional relationships with a wide range of criminal justice and health service stakeholders, which increases its capability and capacity to respond to the changing and complex needs of the prisoner/offender cohort.

GPS monitoring of parolees

GPS monitoring is an additional monitoring tool to allow corrective services officers to track the movements of a parolee and monitor their compliance with parole conditions, such as curfews. The PBQ may apply an electronic monitoring condition to an offender's parole order at the time of their release from custody. The QCS delegate may also approve the application of electronic monitoring at any stage of a parolee's order. The GPS trackers are tamper-resistant. Breaking or cutting the GPS straps generates an immediate critical alert to a central monitoring station. The first time a parolee was fitted with a GPS device was in February 2017; since then, more than 2200 parolees have been fitted with a device.

Bail support programs

QCS is contributing to reducing overcrowding through the continuation of the Bail Support Program for women on remand and the establishment of a men's bail service that assesses remandees for eligibility and supports those assessed as suitable to apply for bail. In April 2019, QCS contracted Caxton Legal Centre to deliver the Men's Bail Support Program at the Arthur Gorrie, Brisbane and Woodford correctional centres. During 2019–20, Caxton Legal Centre reviewed the existing remand population at those three correctional centres to develop an understanding of barriers to bail within this population, in order to inform service delivery.

Women's Estate

The Women's Estate has continued to build on the reforms of the QPSR, better positioning QCS to deliver a trauma-informed gender response service to women whilst in custody and under supervision.

The Women's Estate continued to progress the development of stakeholder engagement and other activities such as progressing an oral fluid testing options paper and a removal of clothing options paper and considering comfort changes pertaining to prisoner uniforms and safety units.

Complaints Management System

QCS is committed to delivering high-quality services that respond to offender and community needs. QCS values the benefits of effective complaint handling, such as to communicate with clients and enhance service delivery. Clients can provide feedback about QCS services and the way these are provided. Effective complaint management is about accountability, access and business improvement. The complaint management system is part of a broader system for managing various types of complaints.

QCS publishes information about complaint trends for matters received during the financial year by 30 September each year (in accordance with section 219A(3) of the *Public Service Act 2008*) on the QCS website.

During 2019–20, QCS received 896 complaints, including 73 complaints that raised a human rights issue. QCS received an average of 75 complaints per month. In 2019–20, QCS reported on complaints management performance quarterly, including trend analysis; implemented business improvements; incorporated HR Act requirements into existing reporting of complaints; and continued the rollout of HR Act complaints management training to new and existing QCS staff.

National comparison 2018–19

QCS annually reviews its performance against other correctional jurisdictions in Australia. How QCS compares to other Australian states and territories for key indicators is reported in the Productivity Commission's 2020 Report on Government Services (chapter 8: Corrective Services and the Justice Preface of the Steering Committee for the Review of Government Service Provision). For further information, please refer to the [Report on Government Services 2020, Part C, Section 8 Corrective Services](#), released on 29 January 2020.



Service Areas and Standards

Service area objective

Our objective is to provide safe, modern and responsive correctional services to rehabilitate prisoners and offenders, and prevent crime, making Queensland safer.

Service area description

QCS, in partnership with other key criminal justice agencies, including the QPS and DJAG, performs a crucial role in community safety and crime prevention. QCS performs this role through the humane containment, supervision and rehabilitation of prisoners and offenders.

Services

- Custodial corrections
- Community corrections
- Correctional intervention

The following table provides an overview of the key performance measures for QCS for the 2019–20 financial year. Data for the previous financial years were sourced from the previously published annual reports.



Corrective Services	Notes	2015–16 Actual	2016–17 Actual	2017–18 Actual	2018-19 Actual	2019–20 Target/Est.	2019–20 Actual
Corrective Services							
Custodial corrections	1						
Service standards							
<i>Effectiveness measures</i>							
Escape rate:	2						
High security facilities		0	0	0	0	0	0
Low security facilities	3	0.90	1.51	1.05	0.45	<0.63	1.59
Assault rate:	4						
Serious assault (prisoner on officer)	5, 6	0.01	0.11	0.07	0.08	<0.02	0.10
Assault (prisoner on officer)	5, 6	0.90	1.01	0.57	0.87	<0.24	0.77
Serious assault (prisoner on prisoner)	5, 6	2.25	3.08	2.94	2.80	<0.69	3.38
Assault (prisoner on prisoner)	5, 6	7.09	10.49	8.52	9.20	<3.40	9.81
Deaths from apparent unnatural causes:	7						
Aboriginal and Torres Strait Islander prisoners	7, 8	0.04	0.04	0.00	0.00	0	0.00
Non-Indigenous prisoners	7, 8	0.04	0.00	0.03	0.07	0	0.09
All prisoners	7, 8	0.04	0.01	0.02	0.04	0	0.06
Prisoners returning to corrective services with a new correctional sanction within two years (per cent)	9						
Prisoners returning to:							
Prison		39.7%	40.2%	42.7%	44.6%	<39.8%	45.3%
Corrective services	10	49.8%	51.1%	53.75%	56.2%	<48.4%	57.5%
Prisoner employment (per cent)	11	68.9%	68.8%	67.0%	71.2%	>70%	68.5%
<i>Efficiency measures</i>							
Facility utilisation (per cent):							
High security facilities	12, 13, 14	115.7%	121.7%	129.1%	129.4%	90–95%	129.3%
Low security facilities	12, 13, 14	82.1%	81.7%	82.5%	82.0%	90–95%	77.4%
All facilities	12, 13, 14	111.7%	117.0%	123.7%	124.0%	90–95%	123.5%
Cost of containment per prisoner per day	15	\$177.26	\$183.07	\$181.55	\$189.14	\$206	\$206.07



Community corrections	16						
Service standards							
<i>Effectiveness measures</i>							
Percentage of successfully completed orders:							
Supervision orders	17	72.6%	71.2%	73.3%	75.4%	>68%	79.6%
Reparation orders	18	83.1%	82.9%	84.4%	79.1%	>70%	77.7%
All orders	19	77.7%	77.0%	78.0%	76.5%	>70%	79.2%
Offenders discharged from community corrections orders who returned with a new correctional sanction within two years (per cent)	20						
Offenders returning to:							
Community corrections		15.8%	16.2%	16.2%	15.6%	<11.9%	17.1%
Corrective services	21	21.7%	22.0%	22.3%	21.9%	<16.8%	24.1%
Efficiency measure							
Cost of supervision per offender per day (\$)	22	12.69	12.35	13.79	14.61	19	17.18
Correctional intervention	23						
Service standards							
<i>Effectiveness measures</i>							
Program completions:	24						
Sex offender programs	25	409	425	410	453	390	385
Other programs	26	2,762	3,125	3,236	4,765	3,000	3,404
Re-entry	27,28						
In-prison re-entry support		New measure	New measure	19,691	31,827	19,000	24,641
Post-release re-entry support		New measure	New measure	5,086	18,524	5,000	24,103
Prisoners in education (%):	29	35.6	39.1	36.2	38.2	32	32.9%
Financial value of work performed in the community by prisoners from low security facilities (\$ million)	30,31	6.4	6.3	6.8	7.1	>4.5	5.2
Financial value of community service work performed (court ordered) (\$ million)	30,31	8.4	9.1	8.6	10.8	>6.8	6.9
<i>Efficiency measures</i>	32						

NOTES:

1. This service name has been amended to better reflect that the service delivers more than a secure custodial service and was called 'Custodial' in the 2018–19 *Service Delivery Statement* (SDS).
2. This service standard measures escapes per 100 prisoners.
3. There were 10 escapes from low security correctional facilities in 2019–20. Low security correctional centres do not have a razor wire security fence like high security facilities. Escape risks from low security facilities are managed through both a thorough assessment of prisoners to determine suitability prior to transfer to a low security facility (strict requirements apply), and dynamic security including regular random patrols, prisoner musters and inspections. Prisoners who escape from lawful custody face additional criminal sanction, such as being charged with the offence of escape from lawful custody and are returned to a high security facility for the remainder of their sentence.
4. This service standard measures assaults per 100 prisoners. QCS officers are required to report any assault in a correctional centre. All assaults that occur in Queensland correctional centres are taken seriously and are referred to the Queensland Police Service (QPS) and to the Corrective Services Investigation Unit. QCS monitors both the frequency of assault, and the penalties imposed on the perpetrators.
5. QCS considers safety of staff to be of paramount importance and promotes staff safety through various initiatives. Prisoners who assault staff are dealt with swiftly and face the consequences of those actions. QCS has rolled out additional body-worn cameras for Queensland government-run correctional centres. QCS also undertakes regular profiling and analysis of assault incident data to identify trends and patterns. QCS officers are receiving a revised officer safety training package, including contemporary de-escalation training, situational awareness and a situation response model for both new and existing staff. Infrastructure blind spots that the QCS identifies are addressed by retrofit, and they inform future building and design.
6. Assault rates were exceeded in the four assault categories in 2019–20. QCS is responding by managing out-of-cell activity; increasing the use of behaviour management strategies, including implementing specialist management units; using intensive management plans and maximum security orders; and monitoring 'hot spots' within the correctional centre for prisoner violence.
7. This service standard measures deaths by apparent unnatural causes per 100 prisoners. In 2019–20 there were five deaths of non-Indigenous prisoners and no deaths of Aboriginal and Torres Strait Islander prisoners from apparent unnatural causes.
8. Following any death in custody, immediate attention is given to any operational issues initially identified. The matter is reported to the QPS, which prepares a report for the State Coroner under the *Coroners Act 2003*. An investigation is also conducted by the Office of the Chief Inspector, in accordance with section 295 of the *Corrective Services Act 2006*. Any recommendations that result from these processes are considered for implementation by QCS. The apparent cause of death may change as a result of the coronial process.
9. This service standard measures the number of prisoners released during 2017–18 following a term of sentenced imprisonment who then returned with a new correctional sanction (i.e. sentenced to a new term of imprisonment or community-based order supervised by QCS) within two years of discharge (i.e. who returned by 2019–20). Data includes returns to prison resulting from the cancellation of a parole order where a new offence was committed.
10. Returns to corrective services include a return to a prison sentence or a community corrections order.
11. Participation in prison industries provides prisoners with the opportunity to acquire vocational skills and contributes to their ability to gain and retain employment upon release. This service standard measures the average number of prisoners employed as a percentage of those eligible to work, excluding those unable to participate in work programs because of full-time education, ill health, age, a relatively short period of imprisonment, or other reasons. This measure includes commercial industries that employ prisoners operating on a commercial fee-for-service basis and service industries that employ prisoners to maintain the self-sufficiency of the correctional system, as well as prisoners involved in community projects and other unpaid work.
12. This service standard measures the daily average prisoner population as a percentage of the number of single occupancy cells and designated beds in shared occupancy cells provided for in the design-built cell capacity of correctional facilities.
13. QCS uses a variety of approaches to safely incarcerate prisoners when numbers exceed the built cell capacity of a correctional centre, including 'buddy cells' built for dual occupancy and temporary bunk beds, trundle beds and mattresses in secure cells or residential areas. QCS forecasts prisoner numbers annually and provides advice to the government on any significant changes.



14. QCS remains responsive to the growing pressures by improving current demand management strategies, such as expanding re-entry services to more prisoners, and is proactively identifying and exploring new strategies such as facilitating access to transitional housing post-release. QCS employs a number of strategies to mitigate the impact of 'doubling up' prisoners, including accommodating additional prisoners in residential style accommodation within secure centres, where safe and appropriate; 'doubling up' prisoners in purpose-built, double-up cells that have additional space; using temporary bunk beds and trundle beds; reviewing 'double up' arrangements to reduce the amount of time a prisoner spends in a double cell; and ensuring there are no ongoing matters that may compromise prisoner safety.

15. This service standard measures the daily cost of providing custodial containment services per prisoner. The result is calculated from the net operating expenditure, (excluding payroll tax, operating revenues from ordinary activities, prisoner transport and health costs), divided by the number of prisoner days. QCS' low expenditure per prisoner per day is attributed to the use of double-up accommodation and modern correctional infrastructure to manage the growth in prisoner numbers. QCS continues to deliver cost-efficient corrective services through effective management of infrastructure without compromising the safety and security of correctional centres.

16. This service name has been amended to better reflect that the service delivers more than probation and parole supervision and was called 'Probation and Parole' in the 2018–19 SDS.

17. This service standard measures the proportion of supervision orders successfully completed. Supervision orders include a range of orders other than those categorised as reparation and include Probation Orders, Parole Orders (excluding court ordered); Court Ordered Parole Orders; Intensive Correction Orders; and Drug and Alcohol Treatment Orders.

18. This service standard measures the proportion of reparation orders successfully completed. Reparation orders include Community Service Orders; Alcohol Fuelled Violence Orders; Graffiti Removal Orders; Work and Development Orders; and Queensland Fine Option Orders, which require offenders to undertake unpaid work.

19. This service standard measures the proportion of all community-based orders successfully completed. QCS' high percentage for order completions is a result of effective case management, and ongoing assessment and monitoring of risk to ensure responsive supervision through each offender's order. Performance above the SDS target levels indicates that more offenders have complied with the conditions of their order and completed the length of the sentence.

20. This service standard refers to offenders who were discharged during 2017–18 after serving direct-from-court orders (excluding post-prison orders such as parole or licence) administered by community corrections, and then returned with a new correctional sanction within two years of discharge (i.e. who returned by 2019–20). Offenders who spent any time in prison under sentence in their episode before being discharged from community corrections are excluded.

21. Returns to corrective services include a return to prison sentence or a community corrections order.

22. This service standard measures the real net operating expenditure per offender per day. The result is calculated from the operating expenditure on community corrections (excluding payroll tax and operating revenues from ordinary activities) divided by the number of offender days. QCS' low cost per offender per day is attributed to a combination of stable rates for order completions, along with a higher community corrections offender-to-all-staff ratio. QCS continues to create an efficient delivery capacity for community corrections without compromising the effective management of offenders within the community.

23. This service name reflects efforts made to reduce recidivism by prisoners and offenders through rehabilitation programs, re-entry services, education and engagement in community service.

24. This service standard measures the number of programs completed by offenders to reduce their risk of reoffending. Program targets are developed based on demand, resource availability and business practice. Programs deliver activities that support prisoners to desist from further offending, thereby enhancing community safety.

25. Sex offender programs include preparatory, medium, high and maintenance programs for sexual offenders.

26. Other programs include Indigenous-specific programs, women-specific programs, and interventions related to drugs and alcohol, violence and life skills.

27. This service standard for re-entry reflects contracted service provision by non-government organisations. Re-entry service providers work with prisoners/offenders before and after release to resolve barriers to safe integration into the community (such as help with accessing housing, community treatment providers, employment and health support). Evidence-based re-entry services are complex and tailored.

28. This service standard was introduced as a new standard in 2017–18, and initial targets were established on the identified demand for this service. The successful introduction of this standard is reflected in the results for the 2017–18 and 2018–19 financial years, where the targets were significantly exceeded. As this program continued to develop, the 2019–20 target/estimate was increased to better reflect the level of service delivery achieved in 2018–19.

29. The percentage of eligible prisoners participating in education is defined as the average number of prisoners participating in one or more accredited education and training courses under the Australian Qualifications Framework, as a percentage of those eligible to participate (i.e. excluding those unable to participate for reasons of ill health, or other reasons). Education figures do not include participation in non-accredited education programs or a range of offence-related programs that are provided in prisons, such as drug and alcohol programs, psychological programs, psychological counselling and personal development courses.

30. This service standard is a proxy measure of effectiveness. The financial value of work performed in the community by prisoners from low security facilities and court-ordered community service work is representative of making offenders accountable and providing reparation to the community as part of their rehabilitation. QCS assesses the suitability of prisoners and offenders for a range of work sites to ensure placements are suitable and to maximise the work performed.

31. In 2019–20, 244,965 hours of court-ordered community service was completed. A further 193,128 hours of community service were completed by prisoners from low security facilities. The financial value of work performed in the community by prisoners from low security facilities and court-ordered community service work is representative of making offenders accountable and providing reparation to the community as part of their rehabilitation. The result is influenced by the availability of suitable community service projects. QCS assesses the suitability of prisoners and offenders for a range of work sites to ensure placements are suitable and to maximise the work performed. The result for 2019–20 was impacted by the closure of community service sites and travel restrictions in place in response to the COVID-19 pandemic.

32. An efficiency measure is being developed for this service and will be included in a future SDS.

Workforce

Workforce profile

QCS employed 5,499 full-time equivalent corrective services officers as at 30 June 2020. To ensure and maintain the quality of its service, QCS employs fully trained custodial and corrective services officers and professionals from a range of disciplines, including psychologists, vocational and educational training instructors and counsellors.

Women represent 44.1 per cent of the total workforce, and 46.4 per cent of senior leadership positions. QCS strives to ensure gender balance to meet the foundational target of 50 per cent women in senior officer and senior executive service roles. Of the workforce, 3.05 per cent identify as Aboriginal or Torres Strait Islander.

The separation rate for permanent corrective services officers was 7.6 per cent. Within QCS, 1,207 (20.2 per cent) of permanent corrective services officers are over the age of 55. This is like the rest of the public sector (22 per cent). The average age of permanent employees across QCS is 42.8.

Inclusion and diversity

QCS has developed an Aboriginal and Torres Strait Islander Recruitment Strategy to increase the representation within the organisation and will continue to implement strategies to meet the Public Service Commission's (PSC) foundational inclusion and diversity targets through its Human Resources strategy and *Corrections 2030* plan. QCS is well placed to meet the foundational target of 50 per cent women in senior officer and senior executive service roles. Currently, female representation sits at 44.1 per cent.

Similarly, QCS has already met the foundational target of 3 per cent for corrective services officers who identify as Aboriginal or Torres Strait Islander, with an overall percentage of 3.05 per cent achieved. Importantly, the representation of this group is 3.6 per cent in custodial operations and 2.9 per cent in community corrections.

Strategic workforce planning and performance

The QCS workforce has undergone significant change since QCS was established as a standalone department in December 2017. While the operational arms of the department continue to deliver a consistent and high level of correctional services and supervision of offenders in the community, the corporate and strategic elements have been subject to significant change as a consequence of Taskforce Flaxton recommendations.

QCS has undertaken significant work to establish a range of governance functions necessary for achieving the goals in *Corrections 2030*. In addition, it is working with the PSC to develop a Workforce Strategy, expected to be completed by the end of 2020.

QCS has continued to plan for the growth in corrective services officers associated with increasing prisoner numbers by aligning rosters and recruitment, attrition and transfers, and reviewing additional funding tranches. QCS had undertaken significant recruitment of additional staff for the expansion of the Capricornia Correctional Centre and the return of the AGCC to public management.

Corrective services officers' health and wellbeing

QCS retains its White Ribbon accreditation for its approach to supporting corrective services officers experiencing DFV. QCS maintains a cohort of DFV support officers across its business units and trains corrective services officers so that they maintain contemporary knowledge.

QCS has commenced work to develop proactive employee support and wellbeing programs, including a peer support program, and is reviewing all volunteer networks.



QCS supports the health, safety and wellbeing of employees, including through:

- free annual influenza vaccinations
- an employee assistance program providing professional, free, short-term counselling and support to employees and immediate family members
- a 'fitness passport', providing staff low-cost access to multiple gyms, pools and recreational services
- national and state campaigns to raise awareness and understanding of mental health issues, physical health issues, and diversity and inclusion
- support for corrective services officers experiencing DFV, with DFV support officers across QCS business units and delivery of training to corrective services officers
- active case-managed rehabilitation/return-to-work programs assisting employees to remain at work or to facilitate early and safe return to work following injury or illness
- flexible working arrangements to improve the employee experience, including help with managing family and work responsibilities, and to safeguard health vulnerability during the COVID-19 pandemic.

Industrial and employee relations

QCS works actively with the relevant industrial union to ensure the effective management of employment and industrial relations issues and disputes, and matters that may impact the workforce, including organisational change and the review or introduction of policy and practice. Consultative committee meetings at the agency and local workplace level also provide a regular forum to raise and manage employment and industrial matters, and local issues, for both the custodial and non-custodial cohorts.

Early retirement, redundancy and retrenchment

QCS hires its workforce based on need. All roles in QCS are necessary to meet the operational and administrative needs of the department. As at 30 June 2020, no employees within QCS were made redundant, or were retrenched or displaced.

Workforce engagement and performance

QCS is committed to a workplace where staff feel valued and respected and are motivated to deliver professional corrective services. QCS aims to achieve this through leadership, training and professional development. QCS measures engagement and staff perception of work, management, and the organisation through the annual Work for Queensland survey.

Leadership and management development

QCS is committed to the professional development and celebration of its high-performing corrective services officers to ensure the agency's continued reputation as a service leader within Australasia and globally. The following training programs are currently offered by QCS for corrective services officers across the organisation, with the view to building workforce capacity and leadership capability:

- Excellence in Leadership scholarship program
- Mastering Difficult Conversations workshop
- Applications and Interview Skills workshop
- Supervisor Leadership Program
- Professional Practice Masterclass series
- Diploma of Correctional Administration
- Early Management Development Program (EMDP)
- Distance Education Diploma Program
- Recognised Prior Learning.



The EMDP is specifically targeted at corrective services officers who have frontline managerial and/or supervisory responsibilities. In 2019–20, two EMDPs were conducted with 59 participants from a range of agency areas, including custodial and community corrections, specialist operations, and escort and security. In addition to Queensland staff, 12 senior staff from Correctional Services of the Solomon Islands and four senior staff from Fiji Corrective Services participated in the program.

Participation in external programs

In 2019–20, QCS facilitated access for senior staff within QCS to other high-quality professional development opportunities:

- A staff member completed the Graduate Certificate in Applied Management (Policing and Emergency Services), Australian Institute of Police Management, Sydney.
- Two staff attended the Australian Correctional Leadership Program, Brush Farm Academy, NSW Corrections.
- Six staff attended the Queensland Police Service Leadership in Action Program.
- Two staff undertook the Balance Leadership for Women in Public Safety Agencies Program.
- Two officers undertook the Public Sector Management Program through the Queensland University of Technology.
- One officer continued to undertake the Executive Masters in Public Administration Program through the Australia and New Zealand School of Government.
- Four staff undertook the Leading in Public Safety Workshop.
- One officer undertook the Executive Leadership Program.



Partnerships

Parole Board Queensland

The Parole Board Queensland (the Board) was established by the Queensland Government on 3 July 2017 in response to a key recommendation of the QPSR to establish one board to hear all board-ordered parole matters in Queensland. The Board has the legislative power pursuant to the *Corrective Services Act 2006* to grant parole orders and amend, suspend or cancel a court-ordered parole order or a board-ordered parole order.

The Minister provides guidelines outlining expectations of the independent Board – the paramount consideration of which must be community safety.

The Board decides if a prisoner should be granted parole and, if so, what conditions they should be subject to in order to reduce the risk of reoffending. The Board also decides if the parole order of a released prisoner should be amended, suspended or cancelled, based on risk to the community. Authorised delegates from QCS may request that the Board immediately suspend a prisoner's parole order if they deem the prisoner is an unacceptable risk in the community.

As an independent statutory authority, the Board operates to ensure transparent, evidence-based decisions are made, which are objective and not dependent upon the authorities responsible for the case management and supervision of prisoners.

In accordance with key recommendations of the QPSR, the power to suspend parole is vested solely in the Board. At least one professional member of the Board is rostered 24 hours a day, seven days a week, for the purposes of considering an urgent application for a warrant.

When a parole order is suspended or cancelled, a warrant is immediately issued to the QPS for the prisoner's arrest and return to prison.

For further information, refer to the Parole Board Queensland's 2019-20 Annual Report.

Partnerships with other agencies

Aboriginal and Torres Strait Islander services

As part of its commitment to the Queensland Indigenous Procurement Policy (QIPP), QCS funds several Aboriginal and Torres Strait Islander businesses and organisations. The QIPP was introduced to support the economic development of Aboriginal and Torres Strait Islander people through employment, business ownership and growth.

QCS also funds a number of services aimed at supporting Aboriginal and Torres Strait Islander prisoners and offenders, including Elders as part of the Elders Visitation Service, Murri Chaplains, Community Justice Groups, Aboriginal and Torres Strait Islander controlled health services, Aboriginal and Torres Strait Islander Shire Councils and Aboriginal and Torres Strait Islander residential and community care organisations.

The Elders Visitation Service was established in 1993 as part of QCS' response to the report of the Royal Commission into Aboriginal Deaths in Custody. It continues to provide cultural and other support to Aboriginal and Torres Strait Islander prisoners in correctional centres.

The Aboriginal and Torres Strait Islander Elders also work with senior management and others to identify issues of concern relating to Aboriginal and Torres Strait Islander prisoners.

In 2019–20, QCS provided \$1.115 million to Aboriginal and Torres Strait Islander businesses and organisations.



Other partnerships

Education	Legal and Bail Support Services	Re-Entry Services	Queensland Homicide Victims Support Group	Psylution Worx	Red Cross
BSI Learning	Caxton Legal Centre	Department of Child Safety, Youth and Women	Rise Up Foundation	Fix It Counselling	Lives Lived Well
Maisie Kaufmann Learning Centre	Women's Legal Service Queensland	Department of Housing and Public Works	Mental Health QLD	Mind Wise Psychology	Relationships Australia
TAFE Queensland	Sisters Inside	Queensland Health	Youth Justice Services	North and West Remote Health	DV Connect
Charters Towers School of Distance Education	Alcohol and Drug Programs	Registry of Births, Deaths and Marriages (Queensland)	Logan City Council	Psychology and Wellbeing Pty Ltd	Lifeline
University of Southern Queensland	Drug Arm	ACSO	DV Connect	Psylution Worx Trust	
Australian Council of Educational Research	Gallang Place Aboriginal and Torres Strait Islander Corporation	Bridges Health and Community Care	Victims Assist Support Services for Victims	Robert Walkley	
Department of Education, Small Business and Training (Queensland)	Yourtown	Lives Lived Well	Relationships Australia	Bruce Watt	
Department of Education, Skills and Employment (Commonwealth)	Artius Health	Max Solutions	Victim Information Register for Juvenile Offenders	Ranee Wheat	
Family and Child Programs	Queensland Injectors Health Network (QulHN)	Open Minds	Queensland Police Service	Shelley Jacks Psychology	
Shine for Kids	Pastoral Care	Sero4	Australian Institute of Criminology	Tracey Richards Psychological Services	
Save the Children	State Chaplaincy Board of Queensland	Victims Register	Department of Justice and Attorney-General	Studio 2 Forty Two	
Cultural Programs and Support	Islamic Council Queensland	Brisbane Domestic Violence Service	Queensland Domestic Violence Services Network Candle Lighting	Forensic Psychology Centre	
The University of the Sunshine Coast	Domestic and Family Violence Services	Legal Aid QLD	Psychologists and Counsellors	Community Corrections	
Gallang Place Aboriginal and Torres Strait Islander Corporation	Domestic Violence Prevention Centre Gold Coast	Brave Hearts	Artius Health Pty Ltd	St Vincent de Paul	
Blue Bags prisoner release support	Re-Entry Housing	Red Rose Foundation	DGM Psychology	Alcohol and Other Drugs Service (ADODS)	
Sisters of Saint Joseph	St Vincent De Paul Society	Victims Assist Queensland	Knowledge Cons	Headspace	



National and whole-of-state government initiatives

National Partnership Agreement on Homelessness

The National Housing and Homelessness Agreement has replaced the National Partnership Agreement on Homelessness and the Transitional National Partnership Agreement on Homelessness from 1 July 2018.

The Commonwealth provided \$1.7 million funding under the National Housing and Homelessness Agreement to QCS in 2019–20 for the re-entry support services initiatives. The State of Queensland matches the funding with associated funding determined through the annual federal budget process. The continuation of Australian and state government funding through national partnership agreements is vital to tackling homelessness and delivering better housing outcomes for Queenslanders.

Closing the Gap

The new National Agreement for Closing the Gap (2020) includes a 15 per cent reduction rate of Aboriginal and Torres Strait Islander adults in incarceration by 2031. The Department of Aboriginal and Torres Strait Islander Partnerships is developing the Queensland Action Plan on Closing the Gap and will focus on opportunities to use existing resources to support the 16 new targets. QCS will work with the Department of Aboriginal and Torres Strait Islander Partnerships and other government agencies in developing actions that consider the existing challenges and considerable effort required to achieve this target.

Domestic and Family Violence Prevention Strategy 2016–2026

The Queensland Government's DFV Prevention Strategy 2016–2026 guides implementation of recommendations by a special taskforce from the 2015 report, *Not Now, Not Ever: Putting an end to domestic and family violence in Queensland*. Implementation of the third action plan (2019–20 to 2021–22) of the strategy is currently underway and includes QCS-led action 3.2: 'Continue to strengthen responses to hold perpetrators to account and increase system accountability, including through the rollout of DFV perpetrator programs in correctional centres.

In 2019–20, QCS delivered targeted intervention programs, which aim to reduce the risk of violent and abusive behaviour in familial and intimate relationships, including an 18-month trial of the Disrupting Family Violence Program, a behavioural change program, at three correctional centres. QCS will continue to increase DFV training for all QCS staff and increase the number of DFV perpetrators under supervision in the Gold Coast and Beenleigh who complete the Men's Domestic Violence Education and Intervention Program.

Governance

QCS has internal accountability mechanisms in place to ensure it operates effectively and transparently. This enables QCS to manage risks, realise opportunities, and monitor, evaluate and report on performance

QCS Board of Management

The QCS Board of Management (BoM) is the principal advisory group to the Commissioner and provides advice to the Minister for Police and Minister for Corrective Services on strategic and operational matters pertaining to QCS. The BoM supports the Commissioner as the central decision-making authority pursuant to the *Corrective Services Act 2006* and the *Financial Accountability Act 2009*. The BoM reviews QCS' financial and non-financial performance and determines appropriate service delivery objectives and strategies to meet key performance indicators assigned by the government.

On endorsement of the relevant sub-committee the BoM considers matters that have potential to significantly affect QCS service delivery including:

- asset management and planning
- establishment management and workforce planning
- operational training (QCS Academy) requirements
- program and system delivery
- government policy, legislation and implementation
- budget submissions.

The membership of the BoM comprises the Commissioner (Chair); the Deputy Commissioner, Organisational Capability; Deputy Commissioner, Community Corrections and Specialist Operations; Deputy Commissioner, Custodial Operations and independent BoM members as determined by the Commissioner.

Executive Leadership Team

The Executive Leadership Team (ELT) is an advisory group that supports the QCS Commissioner and BoM in the execution of decisions relating to the strategic and operational direction of QCS. It provides high-level advice on strategy, innovation and operations.

The ELT is not an explicit decision-making body; however, it is critical to the effectiveness of the strategic direction and governance of QCS. The BoM and other decision-making bodies may request and act on its advice.

The ELT:

- leads and drives standards and strategic direction
- enhances service capability and responds to emerging challenges, risks and opportunities
- supports the BoM, Demand Resource Committee (DRC) and Audit and Risk Management Committee (ARMC).

The ELT comprises the Commissioner (Chair); the Deputy Commissioner, Organisational Capability; Deputy Commissioner, Community Corrections and Specialist Operations; Deputy Commissioner, Custodial Operations; Assistant Commissioner, Community Corrections; Assistant Commissioner, Specialist Operations; Assistant Commissioner, Financial Services and Strategic Sourcing Command; Assistant Commissioner, Infrastructure, Technology and Asset Services Command; Assistant Commissioner, Ministerial, Communications and Executive Services; Assistant Commissioner, People Capability Command; Assistant Commissioner, Policy and Legal Command; Assistant Commissioner, Professional Standards and Governance Command; Assistant Commissioner, Security and Male Custody; Assistant Commissioner, Strategic Futures Command; Assistant Commissioner, Women's Estate and Safer Custody; Chief Inspector; Chief of Staff; and Director, Media and Communications.



Demand and Resource Committee

The DRC delivers oversight to the organisational prioritisation of resources. It assists the Commissioner and BoM through oversight of the processes that direct and control finances, people, and assets. As necessary, the DRC reports to the BoM and directs any actions required to other personnel/sub-committees.

The DRC recommends the following for Commissioner or BoM approval:

- the budget
- major expenditure (capital and operational) within defined criteria
- major organisational restructures
- strategies and plans as required.

The membership of the DRC comprises the Commissioner (ex-officio); the Deputy Commissioner, Organisational Capability (Chair); Deputy Commissioner, Community Corrections and Specialist Operations; Deputy Commissioner, Custodial Operations.

Establishment Management Committee

The EMC was formed to critically evaluate and make recommendations on the management of the QCS establishment.

Unless otherwise determined by the Commissioner, the EMC oversees the following scenarios:

- creation of permanent and temporary positions
- consideration and approval of base grade operational recruitment plans
- reclassification of permanent and temporary positions
- conversion of temporary positions or employees to permanent
- the advertising and filling of existing permanent or temporary positions
- engagement or extension of labour-hire staff.

The membership of the EMC comprises the Commissioner (ex-officio); the Deputy Commissioner, Organisational Capability (Chair); Deputy Commissioner, Community Corrections and Specialist Operations; Deputy Commissioner, Custodial Operations; Assistant Commissioner, People Capability Command; Assistant Commissioner, Financial Services and Strategic Sourcing Command and Chief of Staff, Office of the Commissioner.

Audit and Risk Management Committee

The ARMC is an independent advisory body directly responsible to, and supporting, the Commissioner. It assists the Commissioner to effectively discharge legislative accountabilities under the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019* and other relevant legislation and prescribed requirements.

The ARMC met four times in the period 1 July 2019 to 30 June 2020 and held a special meeting in August 2019 to review the department's annual financial statements for the year ending 30 June 2019.

The ARMC does not replace or replicate established management responsibilities and delegations, the responsibilities of other executive management groups within QCS, or the reporting lines and responsibilities of either internal audit or external audit functions. The ARMC operates under an approved charter that outlines the committee's duties and responsibilities and has due regard to Queensland Treasury's *Audit Committee Guidelines: Improving accountability and performance*.

Key achievements of the ARMC for 2019–20 include:

- management assurance that all financial and non-financial internal controls and risk management functions are operating effectively and reliably
- oversight of the Internal Audit function and completion of the planned audit projects
- liaison with the Queensland Audit Office and discussion of audit results
- monitoring of the implementation of accepted audit recommendations.

Following review of its structure during 2019–20, the ARMC membership comprises the Deputy Commissioner, Organisational Capability (Chair); Deputy Commissioner, Community Corrections and Specialist Operations (Internal Member); Chief Finance Officer, Department of Transport and Main Roads (External Member); and Director, Financial Accounting Services, Public Safety Business Agency.

As both external ARMC members are public sector employees, no remuneration was paid or was payable to either individual in accordance with Queensland Treasury's Audit Committee Guidelines.

Operational Oversight Committee

The Operational Oversight Committee (OOC) was established to ensure that QCS remains responsive to the requirements of government and to the public interest.

The OOC is responsible for the oversight of recommendations being implemented by each QCS business unit, providing assurance that implementation of recommendations is progressed in a timely, efficient and effective manner and in accordance with each recommendation's intent and purpose.

It aims to ensure that QCS is fulfilling its responsibility to comply with the whole-of-government mandate that recommendations made to an agency are being implemented.

The OOC provides oversight over recommendations generated from the following:

- external bodies – Subcommittee on Prevention of Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (SPT); Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT) – National Preventive Mechanism (NPM); and government bodies (Commonwealth or state) – for example, Queensland Ombudsman, Crime and Corruption Commission, Coroners Court and non-governmental organisations, following review and approval by the committee
- internal bodies – Operational Inspection and Major Incident Review Group; Office of the Chief Inspector (OCI); and any local assurance activity and/or investigation where recommendations generated have systemic or corporate implications.

The OOC comprises the Assistant Commissioner, Community Corrections; Assistant Commissioner, Financial Services and Strategic Sourcing Command; Assistant Commissioner, Infrastructure, Technology and Asset Services Command; Assistant Commissioner, Ministerial, Communications and Executive Services; Assistant Commissioner, People Capability Command; Assistant Commissioner, Policy and Legal Command; Assistant Commissioner, Professional Standards and Governance Command (acting Deputy Chair); Assistant Commissioner, Security and Male Custody; Assistant Commissioner, Specialist Operations; Assistant Commissioner, Strategic Futures Command; Assistant Commissioner, Women's Estate and Safer Custody; and the Chief Inspector (acting Chair).

Finance and Procurement Committee

The Finance and Procurement Committee (FPC) is a key element of the department's governance framework. It makes decisions on a range of financial management and strategic supply matters and facilitates an advisory role that supports and advises the QCS Commissioner and BoM in the execution of strategic and operational decisions.

The purpose of the FPC is to deliver engaged, visible and effective leadership to respond to the strategic and operational financial management and strategic supply-related challenges, risks and opportunities that arise for QCS. The committee is responsible for:

- guiding the annual budget processes
- monitoring and reporting on QCS' financial performance against priorities and approved budgets
- monitoring and reporting on the delivery of QCS' procurement pipeline of work, including delivery of benefits
- formulate strategies for improving QCS' financial position, including implications of whole-of-government financial policy developments
- provide executive-level oversight of strategic supply issues in accordance with QCS priorities
- consider strategic and operational financial risk for QCS and develop appropriate mitigation
- reinforce a strong financial management culture across QCS, including the operation of an effective financial and procurement governance and control environment
- embedding and reforming consistent and modern customer-focused financial and procurement management practices across all aspects of QCS operations
- supporting the BoM, the DRC and the ARMC.

The FPC comprises the Commissioner (ex officio); Deputy Commissioner, Organisational Capability (Chair); Deputy Commissioner, Community Corrections and Specialist Operations; Deputy Commissioner, Custodial Operations; Assistant Commissioner, Women's Estate and Safer Custody; Assistant Commissioner, Security and Male Custody; Assistant Commissioner, Financial Services and Strategic Sourcing Command (CFO); Assistant Commissioner, Specialist Operations; Assistant Commissioner, Community Corrections and the Director, Procurement and Contract Management (Chief Procurement Officer).

Health, Safety and Wellbeing Committee

The Health, Safety and Wellbeing Committee leads the strategic oversight of the safety management system and provides an escalation point from lower-level forums.

The committee is responsible for:

- overseeing the development and implementation of the safety management system
- developing an integrated approach to WHS, including the promotion of a safety culture
- establishing recommendations for the resolution of strategic health and safety issues
- reviewing WHS risk assessments and determine whether controls are adequate, and risks have been accepted
- reviewing and monitoring WHS performance data and any significant emerging trends.

The Health, Safety and Wellbeing Committee comprises the Deputy Commissioner, Organisational Capability (Chair); Deputy Commissioner, Custodial Operations; Deputy Commissioner, Community Corrections and Specialist Operations; Assistant Commissioner, People Capability Command; Director, Culture, Safety and Wellbeing; Manager, Health, Safety and Injury Management; Assistant Commissioner, Policy and Legal; Director, Employee Relations; General Manager (rotating every three months); Regional Manager (rotating every three months); and others by invitation.

Risk management and accountability

Risk management

The Audit and Assurance Group, also known as Internal Audit, provides independent, objective assurance and advisory services designed to add value and improve QCS' operations.

A key priority is to assist the Commissioner to effectively discharge accountabilities under section 61 of the *Financial Accountability Act 2009* by providing insight on how the department directly supports:

- establishing and maintaining appropriate systems of internal control and risk management
- determining that compliance and fraud management are operating to prescribed requirements.

To achieve this and ensure compliance with section 31 of the Financial and Performance Management Standard 2019, the internal audit plans – including the annual internal audit plan and strategic internal audit plan, covering a three-year period – are developed based on strategic and operational risks, business priorities and client needs. The internal audit plans are endorsed by the ARMC and approved by the Commissioner.

All audit projects on the 2019–20 annual audit plan were completed and reported to the ARMC and the Commissioner via the Assistant Commissioner, Professional Standards and Governance Command, along with recommendations for improvement. Internal audit reports may also be made available to internal or external stakeholders such as the Queensland Audit Office as applicable. Internal Audit conducts follow-up of audit recommendations implemented by management.

External scrutiny

The OOC is responsible for the oversight and monitoring of the implementation of key recommendations from both internal and external investigations, inspections and reviews. QCS has developed an implementation plan, which outlines the specific actions, responsible officers and timeframes for implementing recommendations. Progress on the operationalisation and completion of the recommendations will be monitored and reported through this committee.

Significant progress has already been made on many of the action items in the implementation plan, as many of the recommendations relate to projects and pieces of work that had already commenced within QCS as a result of its organisational restructure, Taskforce Flaxton and internal review and practice improvement processes.

Queensland Government agencies can be reviewed or audited by several different authorities and bodies, including the:

- Queensland Audit Office (QAO)
- Crime and Corruption Commission
- Queensland Human Rights Commission, formerly the Anti-Discrimination Commission Queensland
- Queensland Ombudsman
- Office of the State Coroner.

Queensland Audit Office

During 2019–20, the QAO tabled the following reports that affect QCS or are of relevance to QCS.

Report	Tabled date	Audit name	Objective/scope
Report 14: 2019–20	5 May 2020	Evaluating major infrastructure projects	This audit examined whether Building Queensland effectively and efficiently led and/or assisted agencies to deliver robust business cases for major infrastructure projects and provided agencies with expert advice about infrastructure. Included in QAO's audit scope was an assessment of the business case for the AGCC expansion, relating to the construction of 628 additional cells to meet the growth in remand prisoner numbers across Queensland's corrective services system.
Report 11: 2019–20	11 February 2020	Queensland Government state finances: 2018–19 results of financial audits	This report analyses the consolidated position of the Queensland Government and reports QAO's audit results.
Report 10: 2019–20	6 February 2020	Effectiveness of the State Penalties Enforcement Registry ICT reform	On 25 March 2019, the Under Treasurer wrote to the Auditor-General about concerns with the SPER Reform Program, which began in May 2014. The objective of the audit was to assess whether the information and communication technology of the SPER Reform Program was governed effectively.
Report 8: 2019–20	27 November 2019	Queensland state government entities: 2018–19 results of financial audits	This report summarises the results of audits of Queensland Government entities for 2018–19; QCS was one of the 21 government departments included.

Crime and Corruption Commission

During 2019–20, QCS continued to address 33 recommendations from the CCC's Taskforce Flaxton review (2018). In response to the recommendations, QCS established the PSGC to strengthen QCS' internal review and investigation functions. The Ethical Standards Group (ESG) was formed under PSGC to collect and evaluate intelligence, assess complaints and investigate allegations made against QCS employees. The ESG continues to develop as an agile business unit capable of supporting QCS organisational goals.

Queensland Ombudsman

Occasionally, the Queensland Ombudsman refers a complaint to the ESG. This method of receiving a complaint is rare. Complaints referred by the Ombudsman may be determined to be made as a public interest disclosure and relate to maladministration or other administration matters.

Queensland Coroner

In accordance with the *Coroner's Act 2003*, the Queensland Coroner is responsible for investigating reportable deaths, including deaths that occur in custody.

To satisfy the Queensland Government's coronial reporting requirements, the OOC ensures recommendations resulting from major incidents in correctional centres – including deaths in custody – are recorded, monitored and resolved in an efficient and timely manner.

During 2019–20, the State Coroner conducted inquests into 11 deaths in custody – nine due to natural causes and two due to suicide. There were no findings or recommendations relevant to QCS in relation to the nine natural cause deaths. The State Coroner delivered findings relating to the two coronial inquests into deaths in custody by suicide.

In both matters, the Coroner noted the Office of the Chief Inspector (OCI) at the QCS had prepared an investigation report, which was tendered at the inquest and was of assistance in the preparation of findings. The Coroner noted the progress that QCS had made in implementing the recommendations arising from the OCI investigation reports into these deaths in custody and made no further recommendations.

The Queensland Government responds to recommendations and comments made at coronial inquests. Responses to coronial recommendations are published on the Coroners Court of Queensland website.

The community is kept informed of the government's progress in implementing recommendations through the publication of implementation updates twice a year until recommendations are delivered.

Internal review

Office of the Chief Inspector

The OCI is one of the mechanisms through which QCS maintains a strong accountability framework. The OCI performs statutory functions under the *Corrective Services Act 2006*, which provides the authority to conduct inspections, investigations and reviews within the correctional system in Queensland. The OCI also coordinates the Official Visitor Scheme (OVS).

Official Visitor Scheme

The OVS plays an important role in the Queensland corrections system by ensuring a regular, accessible, independent program of visitation to assist prisoners to manage and resolve their complaints. An Official Visitor (OV) is a statutory role performed by a person who attends correctional centres as an observer and to whom prisoners can raise complaints. OVs are appointed under a delegation by the Chief Inspector as either Community OVs, Legal OVs or Aboriginal and Torres Strait Islander OVs. An OV provides copies of their reports on the outcome of investigations and other issues relating to the remit of the OCI. These reports assist the Chief Inspector to identify systemic issues and inform the process of centre inspections. OVs also conduct reviews of Maximum-Security Orders and Safety Orders.

In 2019–20, the OV Scheme completed 601 visits to prisoners, resolved 1,466 complaints and conducted 83 Maximum Security Order reviews and 577 Safety Order reviews.

Inspections, investigations and reviews

The inspection, investigation and review function previously undertaken by the OCI will transition to the Operational Inspection and Major Incident Review Group within the Professional Standards Command. This change is to prepare QCS for the establishment of an Independent Inspectorate of Prisons in Queensland and will occur along with the QCS organisational restructure. It is also in accordance with the implementation of Taskforce Flaxton recommendations.



Information systems and recordkeeping

QCS' information management, including records management, is governed by the *Public Records Act 2002*, *Right to Information Act 2009*, *Information Privacy Act 2009*, Queensland Government information management policies, and any relevant guidelines issued by Queensland State Archives and the Queensland Government Customer and Digital Group.

QCS has commenced the implementation of an information security management system based on international standard ISO 27001, as mandated by whole-of government. The objective of the system is to improve information security and the ability to manage information security risks.

- QCS employs a layered security defence model (defence-in-depth) at the border of the network and within the internal environment.
- The security strategies aim to meet the requirements of the Australian Signals Directorate's essential eight strategies to mitigate targeted cyber intrusions, including using patching applications, patching operating system vulnerabilities and restricting administrative privileges.

During 2019–20, QCS has embarked on a number of initiatives to improve the security posture and mitigate cyber security incidents and risks, including:

- uplifting email security to improve QCS' ability to detect and respond to phishing emails
- implementing security incident and event monitoring tools to improve visibility into cyber security incidents
- implementing Application Whitelisting, to block unauthorised and malicious software from running within the QCS environment; and implementing a vulnerability management system in conjunction with Queensland Government Customer and Digital Group to improve the ability to manage cyber security vulnerabilities.

Financial Statements

for the period 1 July 2019 to 30 June 2020



Annual Report 2019 – 2020

Queensland Corrective Services

Financial Statements

Understanding our financial statements

These financial statements enable readers to assess Queensland Corrective Services' financial results and cash flows for the reporting period 1 July 2019 to 30 June 2020, and its position as at 30 June 2020. Comparative information reflects the audited financial statements for the period 1 July 2018 to 30 June 2019.

Queensland Corrective Services ("the department") is a Queensland Government department established under the *Public Service Act 2008* and controlled by the State of Queensland, which is the ultimate parent.

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<i>Statement of Comprehensive Income by Major Departmental Service</i> Information on income and expenses by each departmental service.	4
<i>Statement of Financial Position</i> Information concerning assets, liabilities, and the department's equity at the end of the reporting period. Assets shown as current are reasonably expected to be converted to cash, sold, or consumed in the operations of the department subsequent to the reporting period. Similarly, current liabilities are expected to consume cash subsequent to the reporting period.	5
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General Information

The head office and principal place of business of the department is:

Level 21
69 Ann Street
BRISBANE QLD 4000

A description of the nature of the department's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the department's financial statements, please call 13 QGOV (13 74 68) or visit the departmental website www.corrections.qld.gov.au.



Statement of Comprehensive Income

for the period 1 July 2019 to 30 June 2020

	Note	2020 Actual \$'000	2020 Original budget \$'000	Budget variance* \$'000	2019 Actual \$'000
OPERATING RESULT					
Income from continuing operations					
Appropriation revenue	5	961,031	973,036	(12,005)	901,685
User charges and fees	6	9,765	14,631	(4,866)	11,213
Grants and other contributions	7	4,527	4,241	286	4,406
Other revenue	8	15,407	12,069	3,338	13,764
Total income from continuing operations		990,730	1,003,977	(13,247)	931,068
Expenses from continuing operations					
Employee expenses	9	547,269	541,535	5,734	498,781
Supplies and services	10	338,254	318,566	19,688	315,866
Grants and subsidies		313	-	313	189
Depreciation and amortisation	15/16	122,881	136,216	(13,335)	116,692
Impairment losses	12	31	-	31	217
Revaluation decrement	16	-	-	-	58,749
Other expenses	11	4,947	7,660	(2,713)	6,064
Total expenses from continuing operations		1,013,695	1,003,977	9,718	996,558
Operating result from continuing operations		(22,965)	-	(22,965)	(65,490)
OTHER COMPREHENSIVE INCOME					
<i>Items that will not be reclassified to operating result</i>					
Increase in revaluation surplus	16	15,480	-	15,480	214,865
Total items that will not be reclassified to operating result		15,480	-	15,480	214,865
Total other comprehensive income		15,480	-	15,480	214,865
Total comprehensive income		(7,485)	-	(7,485)	149,375

*An explanation of major variances is included at note 25.

The accompanying notes form part of these financial statements.

Statement of Comprehensive Income by Major Departmental Service

for the period 1 July 2019 to 30 June 2020

	Custodial Corrections		Community Corrections		Inter-departmental eliminations		Department total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

OPERATING RESULT

Income from continuing operations

Appropriation revenue	823,860	774,560	137,171	127,125	-	-	961,031	901,685
User charges and fees	12,322	13,380	51	44	(2,608)	(2,211)	9,765	11,213
Grants and other contributions	3,852	3,754	675	652	-	-	4,527	4,406
Other revenue	15,318	13,670	89	94	-	-	15,407	13,764
Total income from continuing operations	855,352	805,364	137,986	127,915	(2,608)	(2,211)	990,730	931,068

Expenses from continuing operations

Employee expenses	446,866	409,144	100,458	89,687	(55)	(50)	547,269	498,781
Supplies and services	308,827	290,827	31,980	27,200	(2,553)	(2,161)	338,254	315,866
Grants and subsidies	266	161	47	28	-	-	313	189
Depreciation and amortisation	120,228	113,868	2,653	2,824	-	-	122,881	116,692
Impairment losses	28	172	3	45	-	-	31	217
Revaluation decrement	-	58,749	-	-	-	-	-	58,749
Other expenses	4,323	5,446	624	618	-	-	4,947	6,064
Total expenses from continuing operations	880,538	878,367	135,765	120,402	(2,608)	(2,211)	1,013,695	996,558
Operating result from continuing operations	(25,186)	(73,003)	2,221	7,513	-	-	(22,965)	(65,490)

OTHER COMPREHENSIVE INCOME

Items that will not be reclassified to operating result

Increase in revaluation surplus	15,480	214,865	-	-	-	-	15,480	214,865
Total items that will not be reclassified to operating result	15,480	214,865	-	-	-	-	15,480	214,865
Total other comprehensive income	15,480	214,865	-	-	-	-	15,480	214,865
Total comprehensive income	(9,706)	141,862	2,221	7,513	-	-	(7,485)	149,375

Statement of Financial Position

as at 30 June 2020

	Note	2020 Actual \$'000	2020 Original budget \$'000	Budget variance* \$'000	2019 Actual \$'000
Current assets					
Cash and cash equivalents		7,192	32,163	(24,971)	46,645
Receivables	12	27,614	14,789	12,825	19,254
Inventories	13	4,925	4,869	56	4,505
Other current assets	14	10,628	2,130	8,498	1,874
Total current assets		50,359	53,951	(3,592)	72,278
Non-current assets					
Property, plant and equipment	16	2,722,566	2,667,965	54,601	2,711,337
Intangible assets	15	1,186	3,593	(2,407)	1,117
Other non-current assets	14	435	686	(251)	454
Total non-current assets		2,724,187	2,672,244	51,943	2,712,908
Total assets		2,774,546	2,726,195	48,351	2,785,186
Current liabilities					
Payables	17	45,166	30,029	15,137	47,713
Accrued employee benefits	18	22,018	23,564	(1,546)	25,203
Other current liabilities	19	-	77	(77)	570
Total current liabilities		67,184	53,670	13,514	73,486
Non-current liabilities					
Payables	17	-	463	(463)	-
Other non-current liabilities	19	-	-	-	2,515
Total non-current liabilities		-	463	(463)	2,515
Total liabilities		67,184	54,133	13,051	76,001
Net assets		2,707,362	2,672,062	35,300	2,709,185
Equity					
Contributed equity		2,562,656			2,560,079
Revaluation surplus	16	230,441			214,865
Accumulated deficit		(85,735)			(65,759)
Total equity		2,707,362	2,672,062	35,300	2,709,185

*An explanation of major variances is included at note 25.

The accompanying notes form part of these financial statements.

Statement of Assets and Liabilities by Major Departmental Service

as at 30 June 2020

	Custodial Corrections		Community Corrections		Department total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets						
Cash and cash equivalents	7,192	46,645	-	-	7,192	46,645
Receivables	24,406	17,651	3,208	1,603	27,614	19,254
Inventories	4,925	4,505	-	-	4,925	4,505
Other current assets	10,320	1,752	308	122	10,628	1,874
Total current assets	46,843	70,553	3,516	1,725	50,359	72,278
Non-current assets						
Property, plant and equipment	2,713,387	2,701,736	9,179	9,601	2,722,566	2,711,337
Intangible assets	1,186	1,117	-	-	1,186	1,117
Other non-current assets	435	454	-	-	435	454
Total non-current assets	2,715,008	2,703,307	9,179	9,601	2,724,187	2,712,908
Total assets	2,761,851	2,773,860	12,695	11,326	2,774,546	2,785,186
Current liabilities						
Payables	44,486	46,738	680	975	45,166	47,713
Accrued employee benefits	19,320	21,807	2,698	3,396	22,018	25,203
Other current liabilities	-	422	-	148	-	570
Total current liabilities	63,806	68,967	3,378	4,519	67,184	73,486
Non-current liabilities						
Other non-current liabilities	-	1,901	-	614	-	2,515
Total non-current liabilities	-	1,901	-	614	-	2,515
Total liabilities	63,806	70,868	3,378	5,133	67,184	76,001
Net assets	2,698,045	2,702,992	9,317	6,193	2,707,362	2,709,185

Statement of Changes in Equity

for the period 1 July 2019 to 30 June 2020

	Note	2020 \$'000	2019 \$'000
Contributed equity			
Balance as at 1 July		2,560,079	2,541,989
<i>Transactions with owners as owners</i>			
Appropriated equity injections	5	128,977	128,199
Appropriated equity withdrawals	5	(126,400)	(110,465)
Net transfer in from other Queensland Government entities	16	-	356
Balance as at 30 June		2,562,656	2,560,079
Accumulated deficit			
Balance as at 1 July		(65,759)	(269)
<i>Operating result</i>			
Operating result from continuing operations		(22,965)	(65,490)
<i>Other</i>			
Equity classification adjustment		(96)	-
Net effect of changes in accounting policies – derecognition of lease incentive liabilities	27(j)	3,085	-
Balance as at 30 June		(85,735)	(65,759)
Asset revaluation surplus			
Balance as at 1 July		214,865	-
<i>Other comprehensive income</i>			
Increase in asset revaluation surplus	16	15,480	214,865
<i>Other</i>			
Equity classification adjustment		96	-
Balance as at 30 June		230,441	214,865
Total equity as at 30 June		2,707,362	2,709,185

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the period 1 July 2019 to 30 June 2020

	Note	2020 Actual \$'000	2020 Original budget \$'000	Budget variance* \$'000	2019 Actual \$'000
Cash flows from operating activities					
<i>Inflows:</i>					
Service appropriation receipts	5	964,866	973,036	(8,170)	908,045
User charges and fees		9,328	14,631	(5,303)	10,622
Grants and other contributions		2,802	2,341	461	2,698
GST input tax credits from ATO		44,898	-	44,898	41,671
GST collected from customers		3,361	-	3,361	3,110
Other		15,051	12,069	2,982	13,675
<i>Outflows:</i>					
Employee expenses		(554,659)	(541,535)	(13,124)	(497,101)
Supplies and services		(340,406)	(316,666)	(23,740)	(311,040)
Grants and subsidies		(313)	-	(313)	(189)
GST paid to suppliers		(43,250)	-	(43,250)	(43,258)
GST remitted to ATO		(3,225)	-	(3,225)	(3,051)
Other		(4,152)	(7,660)	3,508	(3,919)
Net cash provided by operating activities		94,301	136,216	(41,915)	121,263
Cash flows from investing activities					
<i>Inflows:</i>					
Sales of property, plant and equipment		-	-	-	10
<i>Outflows:</i>					
Payments for property, plant and equipment	16	(124,751)	(126,709)	1,958	(118,955)
Payments for intangibles	15	(383)	-	(383)	-
Net cash used in investing activities		(125,134)	(126,709)	1,575	(118,945)
Cash flows from financing activities					
<i>Inflows:</i>					
Equity injections		123,727	130,228	(6,501)	127,612
<i>Outflows:</i>					
Equity withdrawals		(132,347)	(139,735)	7,388	(114,701)
Net cash provided by / (used in) financing activities	5	(8,620)	(9,507)	887	12,911
Net increase/(decrease) in cash and cash equivalents		(39,453)	-	(39,453)	15,229
Cash and cash equivalents – opening balance		46,645	32,163	14,482	31,416
Cash and cash equivalents – closing balance		7,192	32,163	(24,971)	46,645

*An explanation of major variances is included at note 25.

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2020

Preparation information – basis of financial statement preparation

Note 1:	Compliance with prescribed requirements
Note 2:	The reporting entity
Note 3:	Basis of measurement

How we operate – our departmental objectives and activities

Note 4:	Objectives and principal activities of the department
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Performance for the year

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Note 6:	User charges and fees
Note 7:	Grants and other contributions
Note 8:	Other revenue
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Note 10:	Supplies and services
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1. Compliance with prescribed requirements

The department has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. These financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019.

The department is a not-for-profit entity and these general-purpose financial statements are prepared on an accrual basis (except for the statement of cash flows, which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards applied for the first time in these financial statements are outlined in note 27(j).

2. The reporting entity

The financial statements include all income, expenses, assets, liabilities, and equity of the department. The department had no controlled entities during the reporting period. All transactions and balances internal to the department have been eliminated in full.

3. Basis of measurement

Historical cost is used as the measurement basis in this financial report, except for land and buildings, which are measured at fair value, and inventories, which are measured at the lower of cost and net realisable value.

Historical cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The *income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

Net realisable value

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an ordinary disposal.

Notes to the financial statements for the year ended 30 June 2020

4. Objectives and principal activities of the department

The objective of the department is to provide safe, modern and responsive correctional services to rehabilitate prisoners and offenders and prevent crime, making Queensland safer by providing correctional services to rehabilitate:

- prisoners, through services delivered by **custodial corrections**.
- offenders, through services delivered by **community corrections**.

The departmental services reported within the 2018-19 financial statements of custodial operations and probation and parole have been renamed custodial corrections and community corrections, respectively. There has been no change to comparative financial information reported within the Statement of Assets and Liabilities by Major Departmental Service or Statement of Comprehensive Income by Major Departmental Service as a result of these new naming conventions.

The department is funded for the departmental services it delivers principally by parliamentary appropriations.

5. Appropriation receipts

	2020 \$'000	2019 \$'000
Reconciliation of payments from Consolidated Fund to appropriation revenue recognised in operating result		
Original budgeted appropriation revenue	973,036	921,224
Supplementary amounts:		
Transfers from equity adjustment	(887)	-
Lapsed appropriation	(7,283)	(13,179)
Total appropriation received (cash)	964,866	908,045
Less: Opening balance of appropriation revenue receivable	-	(6,360)
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	1,124	-
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(4,959)	(1,124)
Net appropriation revenue	961,031	900,561
Plus: Deferred appropriation payable to Consolidated Fund (expense in 2018-19)	-	1,124
Appropriation revenue recognised in Statement of Comprehensive Income	961,031	901,685
Variance between original budgeted and actual appropriation revenue	12,005	19,539
Reconciliation of payments from consolidated fund to equity adjustment		
Original budgeted equity adjustment appropriation	(9,507)	33,821
Supplementary amounts:		
Transfers to appropriation revenue	887	-
Lapsed equity adjustment	-	(20,910)
Equity adjustment receipts (payments)	(8,620)	12,911
Plus: Opening balance of equity adjustment payable	789	5,612
Less: Closing balance of equity adjustment payable	-	(789)
Plus: Closing balance of equity adjustment receivable	10,408	-
Equity adjustment recognised in contributed equity	2,577	17,734
Variation between original budgeted and actual equity adjustment appropriation	(12,084)	16,087

An explanation of major variances is included at Note 25.

Accounting policy

Appropriations provided under the Appropriation Act 2019 and the Appropriation (COVID-19) Act 2020 are recognised as revenue or equity when received. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Prior to 1 July 2019, any liability at the end of the financial year for deferred appropriation repayable was debited to expense under the requirements of the superseded AASB 1004 Contributions (refer Note 11). Capital appropriations are recognised as adjustments to equity.



Notes to the financial statements for the year ended 30 June 2020

6. User charges and fees

	2020 \$'000	2019 \$'000
Sales of goods – prison industries	9,730	11,179
Other	35	34
Total	9,765	11,213

Accounting policy

Revenue from the sales of goods comprise the manufacture of finished goods and are recognised on transfer of goods to the customer, which is the sole performance obligation. The adoption of Australian Accounting Standards Board AASB 15 Revenue from Contracts with Customers in 2019-20 did not change the timing of revenue recognition for the sale of these goods. Based upon experience, the amount of refunds for returned goods is not expected to be material, so the full selling price is recognised as revenue.

7. Grants and other contributions

National Housing and Homelessness Agreement (Queensland government grant)	1,768	1,640
Vocational Education and Training (Queensland government grant)	900	900
Terrorist Offender Assessment (Commonwealth grant)	-	100
Services received below fair value	1,514	1,708
Other	345	58
Total	4,527	4,406

Services received below fair value

Received from:	Item:		
Queensland Police Service	Labour costs	1,506	1,700
Department of Housing and Public Works	Archival services	8	8
Total		1,514	1,708

Accounting policy

Grants, contributions and donations are non-reciprocal transactions where the department does not directly give approximately equal value to the grantor.

The obligations of grant agreements entered are not sufficiently specific in that the department has discretion as to the nature, quantity and timing of the programs delivered. All grants are therefore accounted for under AASB 1058 Income of Not-for-Profit Entities, whereby revenue is recognised upon receipt of the grant funding.

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, the amount representing the fair value is recognised as revenue with a corresponding expense for the same amount.

Services received below fair value

The department receives intelligence and investigative services from the Queensland Police Service in support of a state-wide investigative response to crime within correctional facilities including but not limited to the investigation of deaths in custody, escapes and serious assaults on prisoners and staff.

These services are essential to the department's operations and would have been procured if they were not received for free. An equal amount to services received below fair value revenue is recognised as employee expenses.

Notes to the financial statements for the year ended 30 June 2020

8. Other revenue

	2020	2019
	\$'000	\$'000
Goods and services sold to prisoners	13,893	13,039
Recovery of prisoner damage	1,253	283
Insurance compensation – loss of property	57	119
Interest	58	138
Other	146	185
Total	15,407	13,764

9. Employee expenses

Employee benefits

Wages and salaries*	405,331	373,625
Employer superannuation contributions	46,408	42,439
Annual leave levy	42,375	39,688
Sick leave expense	12,503	11,527
Long service leave levy	10,212	8,334
Termination benefits	997	906
Other employee benefits	5,742	4,504
Total employee benefits	523,568	481,023

Employee related expenses

Worker's compensation premium	17,109	12,456
Other employee related expenses	6,592	5,302
Total employee related expenses	23,701	17,758
Total	547,269	498,781

* Wages and salaries include \$2.9 million of \$1,250 one-off or pro-rata payments for 2,468 employees (announced in September 2019).

The number of employees as at 30 June 2020, including full-time, part-time, and casual employees, measured on a full-time equivalent basis was 5,499 (2019: 5,054).

Accounting policy***Wages, salaries, and sick leave***

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual leave and long service leave

Under the Queensland Government's Annual Leave Central Scheme, a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

Under the Queensland Government's Long Service Leave Central Scheme, a levy is made on the department to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

Notes to the financial statements for the year ended 30 June 2020

9. Employee expenses (continued)**Accounting policy****Superannuation**

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by employee's conditions of employment.

Defined contribution plans – Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant enterprise bargaining agreement or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined benefit plan – The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the department at the specified rate following completion of the employee's service each pay period. The department's obligations are limited to those contributions paid.

Worker's compensation premiums

The department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised as employee related expenses.

Key management personnel and remuneration disclosures are detailed in note 20.

10. Supplies and services

	2020 \$'000	2019 \$'000
Outsourced works – private prison operations	106,733	102,960
Property utilities and maintenance	88,125	84,828
Offender expenses	53,416	54,346
Contractors and consultants	14,632	8,638
Office accommodation	12,804	11,991
Computer expenses	16,860	10,026
Cost of goods/services provided to prisoners	12,452	11,734
Shared services and other service contributions	8,960	7,773
Motor vehicle costs	7,109	6,742
Travel	4,361	4,979
Telecommunications	4,270	4,055
Printing, postage and stationery	3,347	3,091
Legal expenses	828	1,329
Other	4,357	3,374
Total	338,254	315,866

Accounting policy**Distinction between grants and procurement**

For a transaction to be classified as supplies and services, the value of goods and services received by the department must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant.

Office accommodation and employee housing

Payments for non-specialised commercial office and accommodation under the Queensland Government Accommodation Office (QGAO) framework and residential accommodation properties under the Government Employee Housing (GEH) program arise from non-lease arrangements with the Department of Housing and Public Works, who has substantive substitution rights over the assets used within these schemes. Payments are expensed as incurred and categorised within office accommodation and employee housing line items.

Notes to the financial statements for the year ended 30 June 2020

11. Other expenses

	2020 \$'000	2019 \$'000
Insurance premiums – Queensland Government Insurance Fund (QGIF)	3,716	3,582
Net loss from disposal of property, plant and equipment	782	930
Queensland Audit Office – external audit fees for the audit of the financial statements*	269	301
Losses – public property**	124	8
Losses – public moneys	-	1
Special payments – ex-gratia payments	3	11
Deferred appropriation payable to Consolidated Fund	-	1,124
Other	53	107
Total	4,947	6,064

* Total audit fees quoted by the Queensland Audit Office relating to the 2019-20 financial statements are \$285,000 (2019: \$250,000). There are no non-audit services included in this amount.

** Certain losses of public property are insured within the QGIF. The claims made in respect of these losses have yet to be assessed by QGIF and the amount recoverable cannot be estimated reliably at reporting date. Upon notification by QGIF of the acceptance of the claims, revenue will be recognised for the agreed settlement amount and disclosed as 'Other revenue – insurance compensation from loss of property'.

Accounting policy

Special payments include ex-gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. There were no special payments greater than \$5,000 during the reporting period.

12. Receivables

Trade debtors	2,102	2,241
Less: Allowance for impairment loss	(167)	(266)
Net trade debtors	1,935	1,975
 GST receivable	 4,364	 6,098
GST payable	(335)	(286)
Net GST	4,029	5,812
 Advances	 284	 254
Less: Allowance for impairment loss	(142)	(127)
Net advances	142	127
 Annual leave reimbursements	 7,726	 7,989
Appropriated equity receivable	10,408	-
Long service leave reimbursements	1,531	1,289
Workers' compensation premium receivable	43	1,280
Accrued revenue	1,153	482
Other	647	300
Total	27,614	19,254

Accounting policy

Receivables are measured at amortised cost which approximates their fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is generally required within 30 days from invoice date. Other debtors generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. Terms are maximum of three months; no interest is charged and no security is obtained.

12. Receivables (continued)**Credit risk exposure of receivables**

The maximum exposure to credit risk at reporting date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no credit enhancements relating to the department's receivables.

The department has determined that the only grouping of debtors with expected credit losses relate to employee-related advances and trade debtors associated with the supply of goods and services to non-government entities. The total receivables held in respect of these debtors is \$1.344 million and the expected credit losses in relation to this grouping is \$0.309 million at reporting date. The expected loss rate applied for non-government entities is 10% for debt up to 90 days past due and 50% for debt over 90 days past due. The expected loss rate applied for employee-related advances is 75% for debt up to 90 days past due and 100% for debt over 90 days past due.

The calculations reflect historically observed default rates calculated using credit losses experienced on past transactions. Other forward-looking information is not expected to materially impact the basis of calculation for expected credit losses.

The department has assessed the impact of the COVID-19 pandemic upon the collectability of receivables. Currently there is no evidence of a higher probability of default for the department's debtors which would materially increase the expected loss rates already applied to non-government entities for determining an allowance for loss. All contracts remain enforceable. Refer also note 25.

Impairment loss

Impairment loss expense for the current year regarding the department's receivables is \$0.031 million. This is due to a number of loss events associated with uncertain collectability in respect of departmental debtors.

Accounting policy

The loss allowance for trade and other debtors reflects the lifetime expected credit losses and incorporates reasonable and supportable forward-looking information.

The department's other receivables are from Queensland Government agencies or Australian Government agencies. No loss allowance is recorded for these receivables.

Where the department has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when the debt is over 120 days past due and the department has ceased enforcement activity. If the amount of debt written-off exceeds the loss allowance, the excess is recognised as an impairment loss.

Movements in loss allowances for trade debtors and advances	2020 \$'000	2019 \$'000
Loss allowance – opening balance	393	2,023
Increase in allowance recognised in operating result	31	217
Amounts written-off during the year	(115)	(1,847)
Loss allowance – closing balance	309	393

Notes to the financial statements for the year ended 30 June 2020

13. Inventories

	2020 \$'000	2019 \$'000
Supplies and consumables – at cost		
Bulk fuel	380	450
Bedding	353	154
Uniforms, clothing and merchandise	1,168	1,127
Total supplies and consumables	1,901	1,731
Inventory held for sale – at cost		
Raw materials	1,139	1,088
Work in progress	232	140
Finished goods	826	692
Canteen	827	854
Total inventory held for sale	3,024	2,774
Total	4,925	4,505

Accounting policy

Inventories held for sale and supplies, and consumables are valued at the lower of cost and net realisable value.

Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition, except for training costs which are expenses as incurred.

Net realisable value is determined based on the department's normal selling pattern. Expenses associated with marketing, selling, and distribution are deducted to determine net realisable value.

14. Other current and non-current assets

Current

Prepayments – wages and salaries	6,929	-
Prepayments*	3,526	1,625
Biological assets	142	166
Other	31	83
Total	10,628	1,874

Non-current

Biological assets	435	454
Total	435	454

* Prepayments represent payment in advance for contracted supplies and services, substantially for ICT related licences and maintenance. The expenses will be recognised over their future contract term as they are incurred.

Notes to the financial statements for the year ended 30 June 2020

15. Intangibles and amortisation expense

	Software purchased		Software internally generated		Software WIP		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Opening balance	173	215	944	1,178	-	-	1,117	1,393
Acquisitions – purchased	124	-	-	-	259	-	383	-
Transfers between asset classes	259	-	-	-	(259)	-	-	-
Amortisation	(80)	(42)	(234)	(234)	-	-	(314)	(276)
Total carrying amount at reporting date	476	173	710	944	-	-	1,186	1,117
Gross	1,735	1,352	17,549	17,549	-	-	19,284	18,901
Less: Accumulated amortisation	(1,259)	(1,179)	(16,839)	(16,605)	-	-	(18,098)	(17,784)
Total carrying amount at reporting date	476	173	710	944	-	-	1,186	1,117

At 30 June 2020, the department holds a significant intangible asset, the Integrated Offender Management System that has a carrying amount of \$0.441 million and a remaining amortisation period of three years.

The department's intangible assets are held for their expected continuing use in the delivery of public services and not for future cash flows and earnings. The impacts of COVID-19 is not expected to significantly affect the continuing use of these assets or their reported value. Refer also note 25.

Accounting policy

Intangible assets of the department comprise purchased and internally generated computer software. Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed.

Any training costs are expensed as incurred.

There is no active market for any of the department's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation.

Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

All intangible assets of the department have finite useful lives and are amortised on a straight-line basis over their estimated useful life to the department. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. The residual value of all the department's intangible assets is zero.

For each class of intangible assets, the following useful lives are used:

Software purchased 3 – 10 years

Software internally generated 6 – 17 years

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the department, including discontinuing the use of software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

Notes to the financial statements for the year ended 30 June 2020

16. Property, plant and equipment and depreciation expense

	Plant and equipment		Buildings		Capital works in progress	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Opening balance	34,720	35,351	2,308,793	2,127,361	190,078	115,317
Acquisitions (including upgrades)	528	1,019	-	-	118,562	131,378
Assets not previously recognised	11	-	-	-	-	-
Disposals	(74)	(28)	(708)	(912)	-	-
Transfers in from other Queensland Government entities*	-	356	-	-	-	-
Transfers between asset classes	5,527	4,864	73,829	77,053	(79,356)	(56,617)
Transfer to managed items	(3)	-	-	-	-	-
Net revaluation increments in revaluation surplus	-	-	13,635	214,865	-	-
Net revaluation decrements in operating deficit	-	-	-	-	-	-
Depreciation expense	(7,480)	(6,842)	(115,087)	(109,574)	-	-
Total carrying amount at reporting date	33,229	34,720	2,280,462	2,308,793	229,284	190,078
Gross	106,860	106,231	4,202,765	4,106,166	229,284	190,078
Less: Accumulated depreciation	(73,631)	(71,511)	(1,922,303)	(1,797,373)	-	-
Total carrying amount at reporting date	33,229	34,720	2,280,462	2,308,793	229,284	190,078

	Land		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Opening balance	177,746	261,795	2,711,337	2,539,824
Acquisitions (including upgrades)	-	-	119,090	132,397
Assets not previously recognised	-	-	11	-
Disposals	-	-	(782)	(940)
Transfers in from other Queensland Government entities*	-	-	-	356
Transfers between asset classes	-	(25,300)	-	-
Transfer to managed items	-	-	(3)	-
Net revaluation increments in revaluation surplus	1,845	-	15,480	214,865
Net revaluation decrements in operating deficit	-	(58,749)	-	(58,749)
Depreciation expense	-	-	(122,567)	(116,416)
Total carrying amount at reporting date	179,591	177,746	2,722,566	2,711,337
Gross	179,591	177,746	4,718,500	4,580,221
Less: Accumulated depreciation	-	-	(1,995,934)	(1,868,884)
Total carrying amount at reporting date	179,591	177,746	2,722,566	2,711,337

* The Department of Justice and Attorney-General transferred information technology equipment to the department as a result of machinery-of-government changes through a Designation of Inter-Agency Transfer notice dated 8 July 2019. The value of the assets transferred as at 1 July 2018 was \$0.356 million.

The department's property, plant and equipment assets are held for their expected continuing use in the delivery of public services and not for future cash flows and earnings. The impact of the COVID-19 pandemic is not expected to significantly affect the continuing use of these assets. Refer also note 25.

Notes to the financial statements for the year ended 30 June 2020

16. Property, plant and equipment and depreciation expense (continued)

Categorisation of assets measured at fair value

	Level 2		Level 3		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Land	13,364	13,409	166,227	164,337	179,591	177,746
Buildings	477	485	2,279,985	2,308,308	2,280,462	2,308,793
Total	13,841	13,894	2,446,212	2,472,645	2,460,053	2,486,539

Following specific appraisal of the department's building and land portfolio, effective 31 March 2019, the following transfers of assets were made during 2018-19 between fair value hierarchy levels after consideration of available observable and unobservable inputs during specific appraisal.

- \$0.485 million in buildings has been transferred from Level 3 to Level 2.
- \$164.337 million in buildings has been transferred from Level 2 to Level 3.

There were no transfers of assets between fair value hierarchy levels during 2019-20.

Revaluation surplus by asset class

The revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

	Land		Buildings		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Opening balance	-	-	214,865	-	214,865	-
Equity classification adjustment*	-	-	96	-	96	-
Net revaluation increments	1,845	-	13,635	214,865	15,480	214,865
Balance at 30 June	1,845	-	228,596	214,865	230,441	214,865

* Equity reclassification between the asset revaluation surplus and accumulated deficit is due to the disposal of Non-current assets which had previously been revalued.

Basis for fair values of assets

Indices were applied to the department's land and building asset components by AssetVal (Marsh Pty Ltd) under an index-based valuation with an effective date of 30 June 2020 using a market-based assessment. AssetVal used a combination of level 2 and level 3 inputs including publicly available data on sales of similar land in nearby localities. The indexation assessment has regard to the movement of costs from the date of the last specific appraisal of land and building assets, being 30 June 2019 to the current reporting date of 30 June 2020. AssetVal has taken a more cautionary approach to defining the inputs where the comparable evidence is not zoned the same as the subject land and they determined that a degree of professional opinion is required to make an assessment as it is not directly comparable, declaring some reliance on level 3 inputs.

Asset Val provided a certificate of materiality as at 30 June 2020 and determined that there had been no material movement in the value of the department's land and building assets between the valuation date of 30 June 2019 and 30 June 2020. AssetVal have acknowledged that the COVID-19 pandemic has caused market uncertainty and the evidence available to be considered by the valuer in determination of the indices will not have been reflected in market evidence. The impact on sale prices and volumes will not be known until the market has stabilised and a new normal is evident across the marketplace. The valuation is current as at 30 June 2020 only, and the value assessed herein may change significantly over a relatively short period of time, including as a result of factors that the valuer could not reasonably have been aware of as at the date of valuation.

16. Property, plant and equipment and depreciation expense (continued)**Land**

AssetVal provided indices based on an analysis of property prices across residential, commercial and vacant land sectors which indicated that prices have increased across all sectors, in all the regions where the department's land exists except Rockhampton, Cassowary Coast, Mareeba, and Mount Isa, which have seen an apparent decline in property values and Townsville which remains unchanged.

The revaluation of the land assets during 2019-20 continues to be undertaken using market data, which is a level 2 or level 3 assessment, dependent upon whether the inputs into the valuation process are observable or unobservable.

Buildings

The index-based valuation conducted by AssetVal takes into account replacement cost differences due to building construction. It also considers the difference in replacement cost for building components.

AssetVal assessed buildings by analysing data derived from information from Rawlinson's Australian Construction Handbook 2020, Costweb and the Australian Bureau of Statistics.

This data is analysed by determining the movement between 30 June 2019 (date of the most recent specific appraisal) and 30 June 2020 for the department's building assets. AssetVal have considered the Non-Residential, Residential, and Other Residential categories from Costweb, Australian Bureau of Statistics, together with the regional building price index for all construction from Rawlinson's Australian Construction Handbook. The basis of derivation of these indices was consistent with the underlying data inputs adopted for the last specific appraisal.

The revaluation of the building and land improvement assets during 2019-20 continues to be undertaken using the Cost Approach methodology.

All of the department's buildings, including land improvements in respect of correctional centres, have been assessed as specialised buildings and land improvements. The valuation of these assets is based on the fact that current use is highest and best use. A current replacement cost valuation approach has been used due to no active market for correctional centres.

Building assets, largely comprising correctional centres, were revalued by AssetVal under a specific appraisal valuation with an effective date of 30 June 2019. Specific appraisals were determined on recent construction projects, contract data for similar structure, location, cost guides, other relevant publications such as Rawlinson's rates for building and construction, and the AssetVal internal database of unit rates. These inputs are considered as significant unobservable inputs in nature, therefore specialised buildings are classified as Level 3 fair value measurements.

Accounting policy**a) What is fair value?**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets being valued. Observable inputs used by the department include, but are not limited to, published sales data for land and general office buildings. Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets being valued. Significant unobservable inputs used by the department include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the department's assets, internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient, relevant and reliable observable inputs are not available for similar assets.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset at its highest and best use.

16. Property, plant and equipment and depreciation expense (continued)**Accounting policy****b) Fair value measurement hierarchy**

The department does not recognise any financial assets or financial liabilities at fair value.

All assets and liabilities of the department, for which fair value is measured or disclosed in the financial statements, are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

Level 1 represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;

Level 2 represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and

Level 3 represents fair value measurements that are substantially derived from unobservable inputs.

None of the department's valuation of assets are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

c) Basis of capitalisation and recognition thresholds

Items of property, plant and equipment with a historical cost or other value equal to or exceeding the following thresholds in the year of acquisition are reported as property, plant and equipment in the following classes:

Land	\$1
Buildings (including land improvements)	\$10,000
Plant and equipment	\$5,000

Items with a lesser value are expensed in the year of acquisition. Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the department. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed. Land improvements undertaken by the department are included with buildings.

d) Capital work in progress

Work in progress is recognised at cost. All costs relating to items of property, plant and equipment constructed in-house are recorded as work in progress until completion of the project using all direct costs and, where applicable, reliable attributed indirect costs. Work in progress performed under external contracts is recorded using the invoice amount supplied by the contractor.

e) Componentisation of complex assets

The department's complex assets are its correctional centres. Complex assets comprise separately identifiable components (or groups of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the complex asset. On initial recognition, the asset recognition thresholds outlined above apply to the complex asset as a single item. Where the complex asset qualifies for recognition, components are then separately recorded when their value is significant relative to the total cost of the complex asset. Components whose value exceeds 10% of the complex asset's total cost are separately identified as significant value components. Components are separately recorded in line with the department's complex asset component structures. The complex assets are componentised to ensure a more accurate recognition of depreciation expense.

When a separately identifiable component (or group of components) of significant value is replaced, the existing component(s) is derecognised. The replacement component(s) is capitalised when it is probable that future economic benefits from the significant component will flow to the department in conjunction with the other components comprising the complex asset and the cost exceeds the asset recognition thresholds specified above. Replacement components that do not meet the asset recognition thresholds for capitalisation are expensed. Components are separately recorded and valued on the same basis as the asset class to which they relate. The accounting policy for depreciation of complex assets is disclosed in note 16(l) and estimated useful lives of components included in note 16(m).

f) Cost of acquisition

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition (such as architects' fees and engineering design fees), plus all other costs incurred in getting the assets ready for use.

Where assets are received free of charge from another Queensland Government entity (whether as a result of a machinery-of-government change or other involuntary transfer), the acquisition cost is recognised as the carrying amount in the books of the other entity immediately prior to the transfer. Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at date of acquisition.

16. Property, plant and equipment and depreciation expense (continued)**Accounting policy****g) Measurement using historical cost**

Plant and equipment is measured at historical cost in accordance with the Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment is not materially different from their fair value.

h) Measurement of non-current physical assets using fair value

Land and building assets are measured at fair value as required by Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, where applicable.

The cost of items acquired during the reporting period has been judged by the management of the department to materially represent their fair value at the end of the reporting period.

Property, plant and equipment classes measured at fair value are revalued on an annual basis by appraisals, undertaken by an independent professional valuer or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is managed by a team in the department's financial services branch, which determines the specific revaluation practices and procedures. The department has an asset valuation steering committee (of which the department's Chief Finance Officer is a member) that oversees the revaluation processes managed. That committee undertakes annual reviews of the revaluation practices (after each year's revaluation exercise), and reports to the department's audit and risk management committee regarding the outcomes of, and recommendation arising from, each annual review.

i) Use of specific appraisals

Revaluations using independent professional valuers are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal. This is arranged by the department's financial services branch after consultation with the department's audit and risk management committee.

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs, and minimise the use of unobservable inputs, as defined in note 16 (a). Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case, revaluation is warranted).

Changes in valuation techniques were applied during the specific appraisal conducted during 2018-19. These techniques included using current market assessments and construction rates for project related costs that would apply specifically to the construction of correctional facilities. The cost loadings applied are in excess of typical cost loadings which would apply to non-specialised buildings and has resulted in higher current replacement costs for building assets. Furthermore, assessments were made over previous inclusions of site preparation costs in the value of land which resulted in the removal of the value of these costs for land assets. Previous valuation techniques were assessed as part of the revised approach and the department considers the revised valuation techniques which have been utilised to be more applicable to the specialised nature of correctional facilities.

j) Use of indices

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up to date via the application of relevant indices. The department ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. AssetVal (Marsh Pty Ltd) supplies the indices used for the various types of assets. Such indices are either publicly available or are derived from market information available to AssetVal. AssetVal provides assurance of its robustness, validity and appropriateness for application to the relevant assets.

Indices used are also tested for reasonableness by comparing the results against other relevant indices, industry indicators and market information. Through this process, which is undertaken annually, the department assesses and confirms the relevance and suitability of indices provided by AssetVal based on the department's own particular circumstances.

k) Accounting for changes in fair value

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

Notes to the financial statements for the year ended 30 June 2020

16. Property, plant and equipment and depreciation expense (continued)

Accounting policy**l) Depreciation of property, plant and equipment**

Property, plant and equipment (excluding land) is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life to the department. Land is not depreciated as it has an unlimited useful life.

Key Judgment: Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the department.

Separately identifiable components of complex assets are depreciated according to the useful lives of each component, as doing so results in a material impact on the depreciation expense reported.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the department.

Assets under construction (work in progress) are not depreciated until they reach their service delivery capacity. Service delivery capacity relates to when construction is complete, and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property, plant and equipment.

The depreciable amount of improvements to or on leasehold land, is allocated progressively over the estimated useful lives of the improvements, or the unexpired period of the lease, whichever is shorter. The unexpired period of a lease includes any option period where exercise of the option is reasonably certain.

For the department's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

m) Depreciation rates

Key estimates: For each class of depreciable assets, the following useful lives are used (including significant identifiable components).

<u>Class</u>	<u>Useful life</u>	<u>Class</u>	<u>Useful life</u>
Building:		Plant and equipment:	
Substructure	10 – 86 years	Leasehold improvements	3 – 24 years
Superstructure	10 – 86 years	Computer equipment	2 – 15 years
Roof	10 – 86 years	Plant and machinery	4 – 38 years
Finishes	10 – 74 years	Other plant and equipment	3 – 45 years
Fittings	10 – 74 years		
Services	10 – 66 years		
External Services	10 – 78 years		
Air Conditioning	12 – 70 years		
Light and Power	10 – 70 years		
Security Services	10 – 65 years		
Vacuum Drainage	18 – 83 years		

Where appropriate, the depreciation rates applied to assets are determined on an individual basis.

n) Indicators of impairment and determining recoverable amount

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date under AASB 13 Fair Value Measurement. If an indicator of possible impairment exists, the department determines the asset's recoverable amount under AASB 136 Impairment of Assets. Recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use, subject to the following:

As a not-for-profit entity, property, plant and equipment of the department is held for the continuing use of its service capacity and not for the generation of cash flows. Such assets are typically specialised in nature. In accordance with AASB 136, where such assets measured at fair value under AASB 13, that fair value (with no adjustment for disposal costs) is effectively deemed to be the recoverable amount. As a consequence, AASB 136 does not apply to such assets unless they are measured at cost.

For all other remaining assets measured at cost, recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use.

Notes to the financial statements for the year ended 30 June 2020

16. Property, plant and equipment and depreciation expense (continued)

Accounting policy

Value in use is equal to the present value of the future cash flows expected to be derived from the asset, or where the department no longer uses an asset and has made a formal decision not to reuse or replace the asset, the value in use is the present value of net disposal proceeds.

o) Recognising impairment losses

For assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the asset revaluation surplus of the relevant class to the extent available. Where no asset revaluation surplus is available in respect of the class of asset, the loss is expensed in the Statement of Comprehensive Income as a revaluation decrement.

For assets measured at cost, an impairment loss is recognised immediately in the Statement of Comprehensive Income.

p) Reversal of impairment losses

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

For assets measured at fair value, to the extent the original decrease as expensed through the Statement of Comprehensive Income, the reversal is recognised in income, otherwise the reversal is treated as a revaluation increase for the class of asset through asset revaluation surplus.

For assets measured at cost, impairment losses are reversed through income.

17. Payables

	2020 \$'000	2019 \$'000
Trade creditor and accruals	40,207	45,800
Deferred appropriation payable to Consolidated Fund	4,959	1,124
Equity withdrawal payable	-	789
Total	45,166	47,713

Accounting policy

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured

18. Accrued employee benefits

	2020 \$'000	2019 \$'000
Salaries, wages and other related expenses outstanding	7,300	11,966
Annual leave levy payable	11,770	10,379
Long service leave levy payable	2,940	2,851
Other	8	7
Total	22,018	25,203

Accounting policy

No provision for annual leave or long service leave is recognised in the department's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 Whole-of-Government and General Government Sector Financial Reporting.

Notes to the financial statements for the year ended 30 June 2020

19. Other current and non-current liabilities

	2020 \$'000	2019 \$'000
Current		
Lease incentives	-	570
Total	-	570
Non-current		
Lease incentives	-	2,515
Total	-	2,515

Lease incentive liabilities were derecognised effective 1 July 2019 – refer note 27 (j).

20. Key management personnel disclosures

Details of key management personnel (KMP)

The department's responsible Minister, the Minister for Police and Minister for Corrective Services; is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*.

The following details for non-Ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2019-20 and the comparative reporting period. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibilities
Commissioner	Overall efficient, effective and economic administration of the department.
Deputy Commissioner, Organisational Capability	Leads the development and delivery of organisational capability across the department. This includes all enabling and corporate functions, strategic planning and major reform initiatives, policy, integrity and professional standards.
Deputy Commissioner, Community Corrections and Specialist Operations	Leads the delivery of community corrections, including probation and parole and specialist services to prisoners, offenders, staff, victims, and other stakeholders.
Deputy Commissioner, Custodial Operations	Leads the delivery of custodial services in Queensland.

Remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The department does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland General Government and Whole-of-Government Consolidated Financial Statements, which are published as part of the Queensland Treasury's Report on State Finances.

Remuneration policy for the department's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment (including motor vehicle allowances) are specified in employment contracts. Remuneration expenses for those KMP comprise the following components:



Notes to the financial statements for the year ended 30 June 2020

20. Key management personnel disclosures (continued)

Short-term employee expense which include:

- salaries, allowances, and leave entitlements earned and expensed for the year, or for that part of the year during which the employee occupied a KMP position.
- non-monetary benefits – consisting of provision of car parking benefits together with fringe benefits tax applicable to the benefit.

Long-term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Remuneration expenses

The following disclosures focus on the expenses incurred by the department attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

1 July 2019 to 30 June 2020

Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Total
	Monetary expenses \$'000	Non-monetary benefits \$'000	\$'000	\$'000	\$'000
Commissioner	351	10	8	44	413
Deputy Commissioner, Organisational Capability	295	10	6	30	341
Deputy Commissioner, Community Corrections and Specialist Operations	285	10	6	29	330
Deputy Commissioner, Custodial Operations – to 31 January 2020	153	6	4	18	181
Deputy Commissioner, Custodial Operations – from 1 June 2020 to 30 June 2020	23	1	1	3	28
Deputy Commissioner, Custodial Operations (Acting) – from 24 January 2020 to 31 May 2020	101	3	2	7	113

Notes to the financial statements for the year ended 30 June 2020

20. Key management personnel disclosures (continued)

2018-19

Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Total
	Monetary expenses \$'000	Non-monetary benefits \$'000	\$'000	\$'000	\$'000
Commissioner	340	6	7	41	394
Deputy Commissioner, Organisational Capability – from 30 July 2018	253	6	5	26	290
Deputy Commissioner, Community Corrections and Specialist Operations – from 13 August 2018	232	5	5	25	267
Deputy Commissioner, Custodial Operations – from 13 August 2018	241	5	5	26	277

Performance payments

No KMP remuneration packages provide for performance or bonus payments.

Accounting policy

KMP and remuneration disclosures are made in accordance with section 3 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury.

21. Related party transactions

Transactions with people/entities related to KMP

Based upon KMP declarations, there have been no transactions with related parties that have materially affected the department's operating result and/or financial position.

Transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from Queensland Government for its services are appropriation revenue and equity injections, both of which are provided in cash via Queensland Treasury (refer note 5). The department also received capital works, accommodation and building maintenance services at a cost of \$186.284 million from the Department of Housing and Public Works.

Note 7 outlines the services received below fair value provided by Queensland Government entities.



Notes to the financial statements for the year ended 30 June 2020

22. Notes to the statement of cash flows

Reconciliation of operating result to net cash provided by operating activities	2020 \$'000	2019 \$'000
Operating result from continuing operations	(22,965)	(65,490)
Non-cash items included in operating result:		
Depreciation and amortisation expense	122,881	116,692
Impairment losses	31	217
Doubtful debts written-off	(115)	(1,847)
Revaluation decrement	-	58,749
Net losses on disposal of property, plant and equipment	782	930
Prior year capitalised assets	(11)	(53)
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables	139	1,177
(Increase)/decrease in appropriation revenue receivable	-	6,360
Increase/(decrease) in deferred appropriation payable to consolidated fund	3,834	1,124
(Increase)/decrease in annual leave reimbursement receivable	264	(502)
(Increase)/decrease in long service leave reimbursement receivable	(242)	63
(Increase)/decrease in accrued revenue	(671)	79
(Increase)/decrease in other receivables	860	(1,297)
(Increase)/decrease in prepayments	(8,830)	447
(Increase)/decrease in other assets	96	41
(Increase)/decrease in inventories	(420)	365
Increase/(decrease) in accrued employee benefits	(3,186)	1,639
Increase/(decrease) in accounts payable	71	1,551
Increase/(decrease) in other liabilities	-	2,545
(Increase)/decrease in GST input tax credits receivable	1,734	(1,645)
Increase/(decrease) in GST payable	49	118
Net cash provided by operating activities	94,301	121,263

Changes in liabilities arising from finance activities

Details of the department's change in liability for equity withdrawals payable/receivable is detailed in note 5.

23. Commitments

Capital expenditure commitments

Material classes of capital expenditure commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable as follows:

Buildings

Payable:

Not later than one year	59,164	109,452
Later than one year but not later than five years	-	40,241
Total	59,164	149,693

Major plant and equipment

Payable:

Not later than one year	589	-
Total	589	-

24. Contingencies

Litigation in progress

As at 30 June 2020, the department has received notification of a number of industrial matters which are being considered by the Queensland Industrial Relations Commission and the Industrial Court of Queensland. These matters may or may not result in subsequent litigation.

Effective 21 December 2017, Queensland Corrective Services litigation is underwritten by the Queensland Government Insurance Fund (QGIF). Under the QGIF, the department would be able to claim back (less an excess of \$10,000), the amount paid to successful litigants. This includes any cases that existed as at 21 December 2017 and cases that have arisen since that date.

25. Budgetary reporting disclosures and significant financial impacts from COVID-19

This section contains explanations of major variances between the department's actual 2019-20 financial results and the original budget presented to parliament.

Significant financial impacts – COVID-19 Pandemic

The impact of the ongoing COVID-19 pandemic has brought about significant uncertainties, market volatility, and business disruption across the department's operating environment, being the State of Queensland. In consideration of the prevailing economic conditions, further assessments have been made over key judgements and assumptions in the financial report whilst acknowledging the inability to accurately predict the financial impacts arising from COVID-19. The department has made an initial assessment of the effects from COVID-19 that may impact upon the recognition and measurement of assets and liabilities within the financial report, disclosure of key judgements and uncertainties are included within the following notes:

Note 12 – Allowances for unexpected credit losses
Note 16 – Fair value measurements.

The financial impact of the COVID-19 pandemic for the department has not been significant. No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the reporting period.

Explanations of major variances – Statement of Comprehensive Income

Appropriation revenue and depreciation and amortisation

The lower depreciation of \$13 million is a result of re-assessment and resultant net increase in the useful lives of building assets and timing of capitalisation for major capital works compared to budgeted depreciation profiles. The depreciation charge resulted in lower appropriation revenue to fund this item of expenditure.

Supplies and Services

Supplies and services expenditure exceeded original budget by \$19 million due to fluctuations in service demands driving growth in costs compared to budgeted profiles. Computer expenses increased by \$7 million as a result of additional investment in ICT capability largely to support remote based working arrangements due to the impact of COVID-19 and higher contractor costs of \$6 million to support this investment in ICT capability along with a range of prison and offender related projects and initiatives.

Operating result

The operating result (deficit) of \$22 million is a result of fluctuations in prisoner numbers and service demands driving growth in costs which were not anticipated within existing funding models and budgetary allocations.

Notes to the financial statements for the year ended 30 June 2020

25. Budgetary reporting disclosures and significant financial impacts from COVID-19 (continued)

Explanations of major variances – Statement of Financial Position

Cash and cash equivalents, receivables and payables

The lower cash balance is attributed to the timing of cash flows and the movements in receivables (\$13 million), other current assets (\$8 million) and payables (\$15 million). Cash has also been impacted by the increase in expenses. Receivables were higher than budget due to equity injections receivable of \$10 million at year end, primarily to fund costs of prison related infrastructure projects including bunk bed installation and perimeter security upgrades. Other current assets were higher than budget primarily due to the prepayment of wages and salaries of \$7 million as a result of the cash flow timing impacts of payroll cut-off at year end. Payables were higher than budget due to the timing of trade creditor settlements at year end compared to original forecasts.

Explanations of major variances – Statement of Cash Flows

Good and services tax

The net cash flows associated with goods and services tax transactions during the year was \$2 million, which was not budgeted for as separate line items.

Supplies and Services

Supplies and services outflows exceeded original budget by \$24 million as a result of previously referred to higher supplies and services expenditure.

26. Trust transactions and balances

	2020 \$'000	2019 \$'000
Prisoners' trust fund		
Revenue	29,237	27,263
Expenses	28,729	27,240
Net (deficit)/surplus	508	23
Assets	5,341	4,286
Liabilities	5,341	4,286
Net assets	-	-

Accounting policy

The Prisoner's Trust holds money in trust on behalf of prisoners in custody in compliance with s.311 of the Corrective Services Act 2006.

The transactions and balances related to the above arrangements are not recognised in the financial statements because the department acts only in a custodial role. The disclosure of these notes are for the information of users. The Queensland Auditor-General performs the audit of the department's trust transactions for the reporting period.

Notes to the financial statements for the year ended 30 June 2020

27. Summary of other accounting policies**a) Authorisation of financial statements for issue**

The financial statements are authorised for issue by the Commissioner and Chief Finance Officer at the date of signing the Management Certificate.

b) Accounting estimates and judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements, and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant. Estimates and assumptions with the most significant effect are outlined in the following financial statement notes:

Receivables – note 12

Valuation of property, plant and equipment – note 16

Depreciation and amortisation – note 16

Further, the matters covered in each of those notes (except for depreciation and amortisation) necessarily involve estimation uncertainty, with the potential to materially impact on the carrying amount of the department's assets and liabilities in the next reporting period. Reference should be made to the respective notes for more information.

c) Currency and rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

d) Comparatives

Comparative information reflects the audited financial statements for the period 1 July 2018 to 30 June 2019, except where restated to conform with the presentation for the period 1 July 2019 to 30 June 2020.

e) Current/non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the department does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

f) Financial instruments

Financial assets and liabilities are recognised in the Statement of Financial Position when the department becomes party to the contractual provisions of the financial instrument. The department has the following categories of financial assets and financial liabilities.

Cash and cash equivalents – refer Statement of Cash Flows

Receivables at amortised cost – refer note 12

Payables at amortised cost – refer note 17

No financial assets and financial liabilities have been offset and presented on a net basis on the Statement of Financial Position. The department does not enter into transactions for speculative purposes, nor for hedging. The department is exposed to credit risk in relation to its receivables, refer note 12.

g) Insurance

The department's non-current physical assets and other risks, including those relating to business interruption following natural disasters, are insured through the Queensland Government Insurance Fund. Premiums are paid on a risk assessment basis. In addition, the department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

h) Cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

Departmental bank accounts are grouped within the whole-of-government set-off arrangement with the Queensland Treasury Corporation (QTC) and do not earn interest on surplus funds, except for Canteen and Prisoner Trust operations which are interest bearing accounts. Interest earned from Canteen and Prisoner Trust operations remains with the department and is used for prisoner amenities. Interest earned on cash deposited with the Commonwealth Bank of Australia earned on average 1.77% during the reporting period. The department does not trade in foreign currency and does not undertake any hedging. The department is exposed to interest rate risk through cash deposited in interest bearing accounts.

27. Summary of other accounting policies (continued)**i) Taxation**

The department is a State body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the department, GST credits receivable from, and GST payable to the ATO, are recognised (refer to note 12).

j) First-year application of new accounting standards or changes in accounting policy

The department applied AASB 16 Leases for the first time in 2019-20. The department applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 117 Leases. In 2018-19, the department held operating leases under AASB 117 from the Department of Housing and Public Works (DHPW) for non specialised commercial office accommodation through the Queensland Government Accommodation Office (QGAO) and residential accommodation through the Government Employee Housing (GEH) program.

Effective 1 July 2019, the framework agreements that govern QGAO and GEH were amended with the result that these arrangements would not meet the definition of a lease under AASB 16 and therefore exempt from lease accounting. From 2019-20 onward, the costs for these services are expenses as supplies and services expenses when incurred. The new accounting treatment is due to a change in the contractual arrangements rather than a change in accounting policy.

On transition, lease incentive liabilities relating to previous operating leases in respect of the QGAO arrangements (refer note 10 and note 19) of \$3.085 million were derecognised against the opening balance of accumulated deficits as at 1 July 2019. The department has not entered into other lease arrangements which would be captured under the new standard. The department has elected to recognise lease payments for short term leases and leases of low value assets as expenses on a straight-line basis over the lease term, rather than accounting for them on the balance sheet. This accounting treatment is similar to that used for operating leases under AASB 117.

The department applied AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customer for the first time in 2019-20. The department does not currently have any revenue contracts or grant agreements with a material impact in 2019-20. Any new revenue contracts or grant agreements entered into subsequently will be assessed to determine financial reporting impacts arising from AASB 1058 and AASB 15. Revenue recognition for the department's appropriations, grant and contributions will not change under AASB 1058. Revenue will continue to be recognised when the department gains control of the assets (e.g. cash or receivable). There have been no impacts as a result of the application of AASB 15.

k) Future impact of accounting standards not yet effective

At the date of authorisation of the financial report all Australian accounting standards and interpretations with future effective dates are either not applicable to the department's activities or have no material impact on the department.

l) Climate risk disclosure

The department addresses the financial impacts of climate related risks by identifying and monitoring the accounting judgements and estimates that will potentially be affected, including asset useful lives, fair value of assets, provisions or contingent liabilities and changes to future expenses and revenues.

The department has not identified any material climate related risks relevant to the financial report at the reporting date, however constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the reporting period.

28. Events occurring after the balance date

There were no significant matters arising after the balance date which management is aware of as at the date of signing the Management Certificate.

Queensland Corrective Services

Management Certificate

for the reporting period 1 July 2019 to 30 June 2020

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 38 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act, we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the department for the financial year ended 30 June 2020 and of the financial position of the department at the end of that year.

The Commissioner, as the Accountable Officer of the Department, acknowledges responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Scott Walker CPA BCom
Acting Chief Finance Officer

28 August 2020



Peter Martin APM
Commissioner

28 August 2020

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Queensland Corrective Services

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Queensland Corrective Services.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental service as at 30 June 2020, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental service for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of specialised buildings (\$2 280 million) and depreciation expense (\$123 million)-Note 16

Key audit matter	How my audit addressed the key audit matter
<p>Queensland Corrective Services' specialised buildings were material at balance date and were measured at fair value using the current replacement cost method.</p> <p>An external valuer performed a specific appraisal valuation of the buildings as at 30 June 2019. Indexation has subsequently been applied up to 30 June 2020.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> Gross replacement cost, less Accumulated depreciation <p>The Department derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> identifying the components of buildings with separately identifiable replacement costs (known as unit rate categories) developing a unit rate for each of these components, including: <ul style="list-style-type: none"> estimating the current cost for a modern substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. \$/square metre) identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference. indexing unit rates for subsequent increases in input costs <p>The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of assets.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the building components used for measuring gross replacement cost with reference to the department's asset management plans and common industry practices. Obtaining an understanding of the methodology used and assessing its design, integrity and appropriateness using common industry practices. Assessing the competence, capability and objectivity of the valuation specialist. Evaluating whether unit rates were current at balance date by comparing the indices used against other publicly available information about movements in construction costs for similar assets. Evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> Reviewing management's annual assessment of useful lives. Ensuring that no component still in use has reached or exceeded its useful life. Reviewing for assets with an inconsistent relationship between condition and remaining useful life.

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in the entity's annual report.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the department for the financial report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the department's internal controls, but allows me to express an opinion on compliance with prescribed requirements.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Officer, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the department's transactions and account balances to enable the preparation of a true and fair financial report.



John Welsh
as delegate of the Auditor-General

28 August 2020

Queensland Audit Office
Brisbane

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	3
Accessibility	<ul style="list-style-type: none"> Table of contents 	ARRs – section 9.1	4
	<ul style="list-style-type: none"> Glossary 		5
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	2
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3	2
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs – section 9.4	2
	<ul style="list-style-type: none"> Information Licensing 	QGEA – Information Licensing ARRs – section 9.5	2
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1	8
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 10.2, 31 and 32	(not applicable)
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	8
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	10
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 11.1	9
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 11.2	17
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	20
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	34
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	18
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	16
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	13
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	43
	<ul style="list-style-type: none"> Public Sector Ethics 	Public Sector Ethics Act 1994 ARRs – section 13.4	8
	<ul style="list-style-type: none"> Human Rights 	Human Rights Act 2019 ARRs – section 13.5	27
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	8

Governance – risk management and accountability	• Risk management	ARRs – section 14.1	50
	• Audit committee	ARRs – section 14.2	47
	• Internal audit	ARRs – section 14.3	52
	• External scrutiny	ARRs – section 14.4	50
	• Information systems and recordkeeping	ARRs – section 14.5	53
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	40
	• Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	41
Open Data	• Statement advising publication of information	ARRs – section 16	2
	• Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Page 34 of financial statements (p.87 of report)
	• Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Page 35 of financial statements (p. 88 of report)

FAA: Financial Accountability Act 2009; FPMS: Financial and Performance Management Standard 2019; ARR: Annual report requirements for Queensland Government agencies.

