



Queensland Corrective Services

# 2019-20 Budget Outcomes

# QCS Entity Level Budget

## Departmental budget summary

The table below shows the total resources available in 2019-20 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Queensland Corrective Services	2018-19 Budget \$'000	2018-19 Est Actual \$'000	2019-20 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1</sup>			
Deferred from previous year/s	15,450	15,450	..
Balance of service appropriation	905,774	886,235	973,036
Other revenue	30,659	32,059	30,941
<b>Total income</b>	<b>951,883</b>	<b>933,744</b>	<b>1,003,977</b>
<b>Expenses</b>			
Corrective Services	951,883	933,744	1,003,977
<b>Total expenses</b>	<b>951,883</b>	<b>933,744</b>	<b>1,003,977</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>Net assets</b>	<b>2,641,854</b>	<b>2,620,676</b>	<b>2,672,062</b>
<b>CAPITAL</b>			
<b>Capital purchases<sup>2</sup></b>			
Total land, buildings and infrastructure	155,201	119,042	103,120
Total plant and equipment	12,551	13,563	21,389
Total other capital	..	..	2,200
<b>Total capital purchases</b>	<b>167,752</b>	<b>132,605</b>	<b>126,709</b>

Note:

- Includes State and Commonwealth funding.
- For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.

## Sources of revenue

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
1,003,977	973,036	14,631	..	16,310

## Staffing<sup>1,2</sup>

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
5,039	5,039	5,761

Notes:

- Full-time equivalents (FTEs) as at 30 June.
- The variance between the 2018-19 Estimated Actual and 2019-20 Budget is mainly associated with transition of private prisons to public operation, Capricornia Correctional Centre expansion, correctional centre prisoner growth and Taskforce Flaxton.

## Controlled income statement

Queensland Corrective Services	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	1,4	921,224	901,685	973,036
Taxes		..	..	..
User charges and fees		14,565	14,565	14,631
Royalties and land rents		..	..	..
Grants and other contributions		4,061	4,061	4,241
Interest and distributions from managed funds	2,5	1	151	1
Other revenue	3,6	12,032	13,282	12,068
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>951,883</b>	<b>933,744</b>	<b>1,003,977</b>
<b>EXPENSES</b>				
Employee expenses	7	492,500	490,479	541,535
Supplies and services		318,092	321,490	318,566
Grants and subsidies		..	..	..
Depreciation and amortisation	1,8	133,931	114,081	136,216
Finance/borrowing costs		..	..	..
Other expenses		7,360	7,694	7,660
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>951,883</b>	<b>933,744</b>	<b>1,003,977</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

# Budget Outcomes

## 2019 – 20 Budget CBRC Outcomes – Summary Analysis

Budget Item	Outcome	Application	Risk and Opportunities
<b>Proposed revision to QCS's double up funding model to meet the demands and significant risks of the rising prisoner population within built capacity</b>	<ul style="list-style-type: none"> <li>• CBRC have approved the revised two-tier double-up agreement</li> <li>• \$14.480M and 202 FTE approved for 2019-20 based upon application of the revised agreement.</li> <li>• Forward estimate allocations to be determined annually as a technical adjustment based upon the revised double-up agreement</li> </ul>	<ul style="list-style-type: none"> <li>• Funding and FTE to be drawn upon as prisoner numbers exceed Tier 1 Upper Limit for each facility</li> <li>• FTE Allocation of 202 modelled as follows:               <ul style="list-style-type: none"> <li>◦ Custodial 115</li> <li>◦ System Overhead 65</li> <li>◦ ESB 22</li> </ul> </li> <li>• Individual analysis in progress to anticipate prisoner numbers @ 1 July 2019 for each facility in order to finalise 19/20 budget builds</li> </ul>	<ul style="list-style-type: none"> <li>• Tier 2 Staffing Modelled on a centre by centre basis, specific risks and the required response through increase resourcing (staffing) – dependent on prisoner numbers</li> <li>• Allocation methodology to be tested through an enhanced governance model (DRC) to ensure resources are prioritised against business need and risk</li> <li>• QT forensic review of operational expenditure may impact double up agreement in longer-term</li> <li>• Based upon prisoner numbers in each facility (actuals currently tracking below forecasts used to develop budget submission)</li> </ul>
<b>Increase in base funding allocation for minor capital works and maintenance</b>	<ul style="list-style-type: none"> <li>• High Priority Capital Works of \$22.100M approved               <ul style="list-style-type: none"> <li>◦ Woodford Correctional Centre Intercoms \$13.6M</li> <li>◦ Princess Alexandra Secure Unit Refurbishment \$3M</li> <li>◦ Lock Replacement Program \$2.5M</li> <li>◦ Brisbane Laundry Program \$3M</li> </ul> </li> <li>• Over \$48.16M in prioritised capital works not approved</li> <li>• Increase in Capital Maintenance of \$3.6M per year provided to meet minimum funding benchmarks</li> <li>• 2FTE's provided for the Facilities Maintenance Program</li> </ul>	<ul style="list-style-type: none"> <li>• Formal projects to be established to take carriage of the approved capital works from 1 July 2019</li> <li>• FTE's to be applied to the Facilities Maintenance Program in conjunction with ongoing organisational review activities</li> <li>• Budgets to be reforecast for approved works as part of 19/20 budget build</li> </ul>	<ul style="list-style-type: none"> <li>• Impact analysis to be conducted upon Capital Works not approved for funding</li> <li>• Recalibration of existing capital budget to be urgently completed to determine whether alternative capital funding sources exist to support critical but unfunded capital works projects</li> </ul>
<b>Additional resources to support the operations of the Parole Board Queensland (PBQ) Parole Board</b>	<ul style="list-style-type: none"> <li>• Approved \$6.489M over four years (\$1.6M per annum) and 14 FTE's in 2019-20 and 13 FTEs from 2020-21 ongoing</li> <li>• QH to fund their requirements (1 FTE) from their existing resources</li> </ul>	<ul style="list-style-type: none"> <li>• All sought additional resourced funded with exception of:               <ul style="list-style-type: none"> <li>◦ Resources to establish strategic and corporate independence</li> <li>◦ President and Deputy President Entitlements</li> <li>◦ Conversion of Board Members from So to SES</li> <li>◦ Non Labour costs associated with the above</li> <li>◦ System Overheads</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Addresses the 8 Temporary Positions currently funded from the "old" parole board funding which will expire 30 June 2019 (through converting 8 Temporary positions to permanent FTE)</li> <li>• Parole Board "base" 44 (including 8 funded by QPSR) + 14 new positions equals 58 FTE for 19/20</li> <li>• Additional funding and FTE for legal officer 19/20 only (limited life)</li> <li>• Existing 8 FTE funded by QPSR expected to continue</li> </ul>
<b>Funding to commission the expanded Capricornia Correctional Centre</b>	<ul style="list-style-type: none"> <li>• Approved \$142.954M over 4 years and \$43.718M ongoing to operate the Capricornia Correctional Centre Expansion</li> <li>• Full modelled compliment of 233 FTE approved</li> <li>• QH costs to be considered as part of Offender Health Services Proposal</li> </ul>	<ul style="list-style-type: none"> <li>• Model as presented in the CBRC submission approved without amendment</li> </ul>	<ul style="list-style-type: none"> <li>• QT forensic review of operational expenditure may impact Capricornia model</li> </ul>
<b>Tackling Alcohol Fuelled Violence</b>	<ul style="list-style-type: none"> <li>• CBRC approved \$1.183M to continue the delivery of the Tackling Alcohol-fuelled Violence initiative</li> </ul>	<ul style="list-style-type: none"> <li>• Model as presented in the CBRC submission approved without amendment</li> <li>• Includes overhead funding (15%)</li> <li>• Sought FTE's temporarily provided will continue (7 FTE)</li> </ul>	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
<b>National Disability Insurance Scheme Interface and Demand Issues</b>	<ul style="list-style-type: none"> <li>• CBRC approved \$2.862M in 19-20 only and 8 FTE's to continue the diagnostic assessments, support and specialised re-entry services for prisoners with disability of mental illness.</li> </ul>	<ul style="list-style-type: none"> <li>• 2018-19 Funding envelope continued for one further year</li> <li>• QCS is expected to embed these responsibilities as part of its ongoing service delivery and fund within the departmental budget from 2020-21 onwards</li> </ul>	<ul style="list-style-type: none"> <li>• Further assessment of exposure compared to modelled options required</li> </ul>

# Budget Outcomes

Budget Item	Outcome	Application	Risk and Opportunities
Enhanced through care service delivery model for rehabilitation programs and services for remandees, prisoners and offenders	<ul style="list-style-type: none"> <li>CBRC Approved for DPC to develop a whole-of-government through care service delivery model.</li> </ul>	<ul style="list-style-type: none"> <li>QCS as key stakeholders to consult closely with DPC regarding development and application of this model return to CBRC through a WOG submission seeking approval of the model and required funding.</li> </ul>	<ul style="list-style-type: none"> <li>Nil of significance</li> </ul>
Opioid substitution program	<ul style="list-style-type: none"> <li>CBRC approve QCS to continue delivery of the current program in 2019-20 in existing locations using existing resources and FTE's plus an additional \$1M in 2019-20.</li> <li>Funding brought forward from 2021-22</li> </ul>	<ul style="list-style-type: none"> <li>Funding approved without FTE's</li> <li>Re-profiling of \$1M over financial years</li> </ul>	<ul style="list-style-type: none"> <li>Reprioritisation required to allocate FTE</li> </ul>
Continuation of the Aurukun Prisoner Reintegration Program	<ul style="list-style-type: none"> <li>CBRC approved \$2.541M over four years and \$0.646M ongoing (3 FTEs) to continue the Aurukun Prisoner Reintegration Program and undertake an evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>QT excluded overhead allocation</li> </ul>	<ul style="list-style-type: none"> <li>Nil of significance</li> </ul>
Community Based Management	<ul style="list-style-type: none"> <li>CBRC approved QPS and QCS leading the development of a WOG operational framework for the effective and efficient monitoring of the current eligible cohort, which should include an option for outsourcing</li> </ul>	<ul style="list-style-type: none"> <li>Work with DPC to develop options analysis and report back to CBRC through the 2020-21 budget</li> </ul>	<ul style="list-style-type: none"> <li>Nil of significance</li> </ul>
Implementation of a Whole of Government Victims of Crime Portal	<ul style="list-style-type: none"> <li>CBRC did not approve this proposal</li> </ul>	<ul style="list-style-type: none"> <li>Further assessments required</li> </ul>	<ul style="list-style-type: none"> <li>Further assessments required</li> </ul>
Establishment of an independent inspectorate	<ul style="list-style-type: none"> <li>CBRC approved the establishment of an Independent Inspectorate and for its scope to be consistent with Option 1 – Independent Inspectorate function for 15 high risk detention facilities</li> <li>Expected to be led by DJAG</li> <li>DJAG to develop the required legislation to establish the Independent Inspectorate for Cabinet consideration, with an Authority to Prepare submission by August 2019 and an Authority to Introduce submission by February 2020.</li> </ul>	<ul style="list-style-type: none"> <li>Further consultation with DJAG</li> </ul>	<ul style="list-style-type: none"> <li>Impact upon current Office of the Chief Inspector - Further assessments required</li> </ul>
Stage 2 – Southern Queensland Correctional Precinct	<ul style="list-style-type: none"> <li>CBRC approved the proposal for Stage 2 of SQCC with \$618.863M in Capital Funding and \$34.467M in operational funding and FTE's per submission,</li> <li>CBRC approved funding of \$2M in 2019-20 to be held centrally, and released once the scope of the detailed procurement plan is agreed</li> </ul>	<ul style="list-style-type: none"> <li>Subject to returning to CBRC with a detailed procurement plan which includes how the infrastructure can support a therapeutic operating model.</li> <li>Detailed procurement plan is to be led by QCS in close collaboration with DPC, QT and QH.</li> <li>The scope required to be addressed by the detailed procurement plan will be agreed between the Premier, the Deputy Premier and Minister for Corrective Services.</li> </ul>	<ul style="list-style-type: none"> <li>Modelled costings supported</li> <li>Procurement strategy to be developed</li> </ul>
Savings Target	<ul style="list-style-type: none"> <li>Interim Target \$11M for 19/20</li> <li>Further savings measures expected as indicated in budget letter</li> </ul>	<ul style="list-style-type: none"> <li>Savings Realisation Program to be established</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient flexibility in current budget to find further savings</li> </ul>

# Approved Increase in FTE's

QCS Approved FTE	2019/20	2020/21	2021/22	Notes
	Total QCS FTE	Total QCS FTE	Total QCS FTE	
Double Up	202	202	202	Immediate uplift in system overheads available 1 July 2019 based upon prisoner count of 8,965.
Flaxton	29	34	30	Start 1 July 2019
Capricornia	232.5	232.5	232.5	Start January 2020
Certitude - SQCC (Run)	0	304	304	Start 1 July 2021 (transfer from Certitude Transitional team)
Certitude - AGCC (Run)	0	568	568	Start 1 July 2020
Certitude Transition Team (Operational)	306	0	0	Start 1 July 2019 - profiling dependent on revised project timeframes
Certitude Transition Team (Project Mgmt)	39	9	0	Start 1 July 2019 - profiling dependent on revised project timeframes
Capital Works Program - Facilities	2	2	2	Dedicated Facilities resource to run capital program - Start 1 July 2019
Parole Board	14	13	13	QT did not approve OH allocations - Start 1 July 2019 (includes legal resource)
NDIS	8	0	0	QT did not approve OH allocations - Start 1 July 2019 (includes legal resource)
OST	0	0	0	Within existing resources
Aurukun	3	3	3	QT did not approve OH allocation
Alcohol Fuelled Violence	7	0	0	Temporary resource only
<b>Total</b>	<b>842.5</b>	<b>1367.5</b>	<b>1354.5</b>	
<b>Centrally held</b>				
SQCC Stage 2 Project	5	5	5	Subject to report back on Procurement Plan
SQCC Stage 2 Transition	0	0	50	Subject to report back on Procurement Plan
SQCC Stage 2 Operate	0	0	0	Start 2022-23 611 FTE Operate
<b>Total</b>	<b>5</b>	<b>5</b>	<b>55</b>	