



NEW SOUTH WALES AUDITOR-GENERAL'S REPORT

# Support for First Nations peoples in custody and post-release to reduce reoffending

PERFORMANCE AUDIT | 12 MARCH 2026

## THE ROLE OF THE AUDITOR-GENERAL

The roles and responsibilities of the Auditor-General and the Audit Office, are set out in the *Government Sector Audit Act 1983* and the *Local Government Act 1993*.

We conduct financial or 'attest' audits of state public sector and local government entities' financial statements. We also audit the Consolidated State Financial Statements, a consolidation of all state public sector agencies' financial statements.

Financial audits are designed to give reasonable assurance that financial statements are true and fair, enhancing their value to end users. Also, the existence of such audits provides a constant stimulus to entities to ensure sound financial management.

Following a financial audit the Audit Office issues a variety of reports to entities and reports periodically to Parliament. In combination, these reports give opinions on the truth and fairness of financial statements, and comment on entity internal controls and governance, and compliance with certain laws, regulations and government directives. They may comment on financial prudence, probity and waste, and recommend operational improvements.

We also conduct performance audits. These assess whether the activities of government entities are being carried out effectively, economically, efficiently and in compliance with relevant laws. Audits may cover all or parts of an entity's operations, or consider particular issues across a number of entities. Our performance audits may also extend to activities of non-government entities that receive money or resources, whether directly or indirectly, from or on behalf of government entities for a particular purpose.

As well as financial and performance audits, the Auditor-General carries out special reviews, compliance engagements and audits requested under section 27B(3) of the *Government Sector Audit Act 1983*, and section 421E of the *Local Government Act 1993*.

Cover Image -Transformation and New Pathways by © Lani Balzan. Purchased for use from artist. Stricly for this use only. Further information is available on the inside back cover.



GPO Box 12  
Sydney NSW 2001

The Legislative Assembly  
Parliament House  
Sydney NSW 2000

The Legislative Council  
Parliament House  
Sydney NSW 2000

In accordance with section 38EC of the *Government Sector Audit Act 1983*, I present a report titled '**Support for First Nations peoples in custody and post-release to reduce reoffending**'.

A handwritten signature in black ink, which appears to read 'Bola Oyetunji'.

**Bola Oyetunji**

Auditor-General for New South Wales  
12 March 2026

## RECONCILIATION STATEMENT

We pay our respect and recognise Aboriginal peoples as the traditional custodians of the land in NSW who have cared for and protected the environment, waterways, and sacred sites over many millennia. We honour and thank the traditional custodians of the land on which our office is located, the Gadigal people of the Eora Nation, and the traditional custodians of all the lands on which our employees live and work. We pay our respects to their Elders past and present, and to the next generation of leaders.

As we mark our 200th anniversary, and our contribution to fostering accountability and transparency in the government and Parliament, we also acknowledge that our long history is shared with the histories of colonisation in New South Wales. We acknowledge the impacts of colonisation, and the resulting marginalisation and disadvantage of Aboriginal and Torres Strait Islander peoples in this state.

We embrace our role in holding government agencies to account for the delivery of effective services for Aboriginal and Torres Strait Islander peoples. We are committed to ensuring that our audits are culturally responsive, respectful and inclusive, and that we engage with Aboriginal and Torres Strait Islander peoples and communities in a meaningful and collaborative way.

We recognise the ancestral tie of Aboriginal and Torres Strait Islander peoples to this land, and we acknowledge that we have much to learn from their wisdom, rich and diverse culture, languages, knowledge and practices.

# contents

---

## **Support for First Nations peoples in custody and post-release to reduce reoffending**

1.	Report snapshot	1
2.	Executive Summary	2
	Conclusion	3
3.	Introduction	11
	3.1. The audited agencies	11
	3.2. First Nations peoples in the NSW justice system	11
	3.3. Previous reports and inquiries	14
	3.4. Government policy	14
	3.5. Legislation	15
	3.6. Strategic commitments of the audited agencies	16
4.	Use of place-based data to target the drivers of over-representation	19
5.	Shared decision-making	23
	5.1. First Nations leadership within each agency	24
	5.2. Engagement at a statewide, regional and local level	25
	5.3. Shared access to data and information	26
6.	Embedding the principle of healing	28
	6.1. A formal framework for healing	28
	6.2. First Nations healing and therapeutic models of care	29
7.	Governance and accountability	32
	7.1. Activity and expenditure	32
	7.2. Targets to reduce over-representation	34
	7.3. Evidence-based framework	35
	7.4. Governance and accountability arrangements	36
	7.5. Key performance measures	38
	7.6. Partnerships to inform governance and decision making	40
	7.7. Addressing public inquiry recommendations	41
	7.8. Quality assurance	41
8.	Programs and supports	43
	8.1. Classification and assessment	43
	8.2. Effectiveness and efficiency of programs and supports	48

8.3.	Increase in First Nations peoples on remand	51
8.4.	Post-release case management	55
9.	Partnerships to improve post-release supports	58
9.1.	Partnerships with child protection services	58
9.2.	Partnerships with other relevant agencies	59
9.3.	Partnerships with First Nations stakeholders	60
	Appendix 1 – Relevant previous reports and inquiries	61
	Appendix 2 – Timeline of relevant agency strategies, reports and inquiries, government policy, and legislation	63
	Appendix 3 – Notes provided by First Nations Inmate Delegates	64
	Appendix 4 – Response from entity	65
	Appendix 5 – About the audit	70
	Appendix 6 – Performance auditing	72

# 1. Report snapshot

## Objective

This audit examined whether Corrective Services NSW and Youth Justice NSW (the agencies) provide effective and efficient support and programs for First Nations peoples in custody and after release to reduce reoffending.

## Key findings

### The agencies have invested in support for First Nations peoples

The agencies have developed strategies aimed at reducing over-representation of First Nations peoples in custody, aligned with the *National Agreement on Closing the Gap 2020* (Closing the Gap), and have invested in programs and initiatives to support First Nations peoples.

### The agencies have not operationalised systemic and structural transformation

The agencies have not embedded formal partnerships and shared decision-making, or established a healing framework and therapeutic model of care for First Nations peoples, as required by Closing the Gap and the NSW Government's Aboriginal Affairs Plan, *OCHRE*.

### The agencies do not monitor, evaluate or report on expenditure and outcomes for First Nations peoples

Since 2019, the agencies have had 5 strategies in place at different times to reduce First Nations over-representation in custody. However, they did not track spending or outcomes, and public data shows they failed to meet their targets.

### The agencies have not established governance and accountability arrangements to support their targets

Both agencies identify failure to reduce over-representation of First Nations peoples in custody as a strategic risk, but effective governance and accountability mechanisms have not been established to mitigate this risk.

### The agencies' assessment tools disproportionately impact First Nations peoples

First Nations peoples are disproportionately classified as high-risk in NSW custodial settings, reducing their access to reintegration programs and increasing the risk of institutional barriers that contribute to reoffending.

### The agencies have not identified culturally appropriate post-release services

The agencies do not have a referral framework to systematically support First Nations peoples exiting custody, including an endorsed list of culturally appropriate services in community.

### The agencies have not taken sufficient steps to adapt their systems to growth in remand

The agencies have not sufficiently addressed the needs of First Nations peoples on remand, or highlighted the practices contributing to significant growth in remand population.

## Recommendations

That the agencies establish governance and accountability in line with Closing the Gap and OCHRE; co-design a First Nations Healing Framework; establish formal partnerships; and review their assessment tools.

## Fast facts

3.4%

of the NSW population are First Nations adults and young people

33.9%

of adults in prison were First Nations as at December 2025, the highest proportion on record

56.4%

of young people in detention were First Nations as at December 2025

61.5%

of First Nations adults released from sentenced custody in 2023 reoffended within 12 months (42.1% non-First Nations)

72.7%

of First Nations young people released from sentenced custody in 2023 reoffended within 12 months (49.3% non-First Nations)

12

First Nations people died in custody in NSW between January and October 2025, the highest recorded in a single year

---

## 2. Executive Summary

### Context

---

Corrective Services NSW (Corrective Services) and Youth Justice NSW (Youth Justice) have strategic, and policy commitments aimed at reducing over-representation of First Nations peoples in custody.<sup>1</sup> The current framework underpinning their commitments is the *National Agreement on Closing the Gap 2020* (Closing the Gap), signed by the NSW Government in July 2020. Closing the Gap formally sets out the need for systemic and structural transformation of mainstream agencies in partnership with First Nations stakeholders. Closing the Gap targets relevant to this audit are:

- Target 10 – By 2031, reduce the rate of Aboriginal and Torres Strait Islander adults held in incarceration by at least 15% (from a 2019 baseline).
- Target 11 – By 2031, reduce the rate of Aboriginal and Torres Strait Islander young people (10–17 years) in detention by at least 30% (from a 2018–19 baseline).

Under the *2022–2024 NSW Implementation Plan for Closing the Gap*, the government lead for Targets 10 and 11 in NSW was the Department of Communities and Justice (DCJ), under which Youth Justice operates. Corrective Services previously operated under DCJ, until machinery of government changes made it a standalone agency on 1 October 2024. Corrective Services remains solely responsible for the adult correctional system in NSW. Under the *2025–2028 NSW Implementation Plan for Closing the Gap* (released October 2025) the Families and Justice Sector Committee (FJSC) is responsible for achieving Targets 10 and 11. The FJSC is co-chaired by Deputy Secretary, System Reform, DCJ, and the CEO of AbSec NSW.

The NSW Government’s Aboriginal Affairs Plan, *Opportunity, Choice, Healing, Responsibility, Empowerment* (OCHRE), was introduced in 2013 and remains a current, active framework, establishing clear requirements for NSW government agencies. This includes the implementation of frameworks that facilitate self-determination and healing for First Nations peoples and communities. Self-determination ensures that First Nations voices influence transformation, including decisions about programs and services, while healing addresses intergenerational trauma. These principles align with and support the systemic and structural transformation required under Closing the Gap.

Corrective Services and Youth Justice are ‘receiving agencies’ and have limited control over the number of First Nations peoples initially entering their systems. The drivers of over-representation of First Nations peoples in the justice system begin well before a person enters custody. Systemic factors external to the agencies, including intergenerational trauma, entrenched socioeconomic disadvantage, legislative settings and policing practices drive over-representation, and continue to contribute to the risk of reoffending<sup>2</sup> after release. Addressing these drivers requires a coordinated, whole-of-government response.

While recognising the external systemic factors, both agencies nonetheless remain responsible for meeting their legislative, strategic, and policy commitments to reduce the over-representation of First Nations peoples in the justice system, within their sphere of influence. This includes providing rehabilitative supports, programs and opportunities in custody and post-release, to support reintegration into the community and reduce reoffending.

---

<sup>1</sup> The phrase ‘over-representation of First Nations peoples in custody’ is used throughout this report for readability, and in line with terminology set out in the *National Agreement on Closing the Gap 2020*, and the internal strategies of the audited agencies.

<sup>2</sup> For the purposes of this report, ‘reoffending’ and ‘recidivism’ are used interchangeably to refer to repeated or habitual relapse into crime.

First Nations peoples make up 3.4% of the NSW population, but are significantly over-represented in the justice system. As at December 2025:

- 33.9% of the adult prison population (4,452 people) were First Nations, the highest number and proportion on record, and 56.4% of the youth detention population (127 people) were First Nations.
- 36.1% of adults on remand were First Nations (2,196 people), the highest number and proportion on record, reflecting an 80.3% increase since January 2019. 54.1% of young people on remand were First Nations (92 people), a 21.1% increase since January 2019.

More than 60% of First Nations adults released from custody in 2023 (latest available data) reoffended in the following 12 months (compared with 42.1% of non-First Nations adults). Over 70% of First Nations young people released from custody in 2023 reoffended in the following 12 months (compared with 49.3% of non-First Nations youth).

In 1991, the *Royal Commission into Aboriginal Deaths in Custody* (RCIADIC) report found that, ‘Aboriginal people are in gross disproportionate numbers, compared with non-Aboriginal people, in both police and prison custody and it is this fact that provides the immediate explanation for the disturbing number of Aboriginal deaths in custody’. On 15 October 2025, the NSW State Coroner stated that, ‘Twelve Aboriginal and Torres Strait Islander peoples have died in custody in New South Wales so far in 2025 – the highest number ever recorded in a single year, with more than two months remaining in the calendar’.

## Audit objective

---

This audit assessed whether Corrective Services NSW and Youth Justice NSW effectively and efficiently provide supports, programs and opportunities for the rehabilitation<sup>3</sup> of First Nations peoples in custody and post-release to reduce reoffending. The audit assessed whether both agencies:

- have established governance and accountability arrangements to ensure First Nations peoples are effectively supported in custody, upon and post-release
- effectively plan and design relevant supports, programs and opportunities for the rehabilitation of First Nations peoples in custody, upon and post-release
- effectively and efficiently deliver and continuously improve relevant supports, programs and opportunities for the rehabilitation of First Nations peoples in custody, upon and post-release.

## Conclusion

---

Corrective Services and Youth Justice are not effectively and efficiently providing supports, programs and opportunities for the rehabilitation of First Nations peoples in custody, held on remand, or upon and post-release to reduce reoffending.

The activities undertaken by Corrective Services and Youth Justice have had little to no impact on the rates of reoffending among First Nations peoples, nor alleviated pressure on an already overburdened justice system. The absence of effective, efficient and culturally appropriate rehabilitation services, including practical supports known to reduce reoffending among First Nations peoples, contributes to a costly cycle of reincarceration.

---

<sup>3</sup> ‘the process of returning to a healthy or good way of life, or the process of helping someone to do this after they have been in prison, been very ill, etc.’, Cambridge Dictionary.

Both agencies have developed several strategies aimed at reducing over-representation of First Nations peoples in custody, including current strategies aligned with Closing the Gap. Each agency has also invested in specific programs and initiatives to provide support for First Nations peoples. Despite these efforts, the Closing the Gap requirement for agencies to implement ‘systemic and structural transformation’<sup>4</sup> as an alternative to ‘business as usual’ solutions<sup>5</sup> has not been met. The agencies have not established a coordinated, evidence-based framework to operationalise this requirement.

## Key findings

---

### **Both agencies have invested in strategies, programs and initiatives to provide support for First Nations peoples**

Corrective Services and Youth Justice have developed strategies aimed at reducing over-representation of First Nations peoples in custody, including aligning their current strategies with Targets 10 and 11 under Closing the Gap. The agencies have established internal First Nations Units to provide expert advice on the development and implementation of strategies, policies, and programs that impact First Nations peoples. Recognising the importance of representation and cultural knowledge, both agencies have targets to increase First Nations employment. Corrective Services aims to increase First Nations employment to 8% by 2030. In February 2024, Youth Justice introduced its Aboriginal Employment Plan 2024–2026 (AEP), which reported that 11.4% of staff were First Nations. In December 2025, Youth Justice advised that its AEP has contributed to an increase in First Nations staff representation to 22%, including in management and executive roles.

The agencies have also invested in specific programs and initiatives to provide support for First Nations peoples. Corrective Services facilitates programs such as: the Aboriginal Women Leaving Custody Legal Aid Program in Broken Hill; the Homeward Sisters Project designed to support First Nations women facing housing challenges upon release; and the Co-Located Caseworker Program assisting women in custody with child protection matters. Youth Justice has started early work to increase investment in Aboriginal Community-Controlled Organisations (ACCOs) to deliver funded diversion programs and initiatives, including Youth on Track, Casework Support Program, Short Term Remand Program, Safe Aboriginal Youth Program and place-based initiatives.

Youth Justice also established: an Aboriginal Practice Mandate in 2022 to support First Nations staff as experts in cultural practice across the agency; an Anti-Racism Action Plan in July 2025; a Co-Design Framework in June 2025; and advised it is commissioning a First Nations consultancy to develop an agency-level shared decision-making framework, an important step toward embedding self-determination in its operations.

### **The agencies do not monitor, evaluate or report on expenditure attributable to First Nations peoples, or on the outcomes of relevant activity**

The NSW Treasury’s *TPG22–22 Evaluation Guidelines* and *First Nations Investment Framework* require government programs, policies, strategies, services and projects to be evaluated to assess appropriateness, efficiency, effectiveness and net social benefits. Priority Reform Three of Closing the Gap also requires agencies to increase accountability through public reporting on expenditure and service outcomes for First Nations peoples.

---

<sup>4</sup> Priority Reform Three, Transforming Government Organisations, *National Agreement on Closing the Gap 2020: 6. Priority Reform Three – Transforming Government Organisations | Closing the Gap.*

<sup>5</sup> *NSW Closing the Gap Implementation Plan 2022–2024*, p90 and p97.

Since 2019, the agencies collectively had 5 strategies in place at different times which included actions aimed at reducing over-representation of First Nations peoples in custody. Two of these strategies have concluded and despite investment in programs and initiatives, the agencies have not achieved their targets. Corrective Services advised that its earlier strategy, *A Strategy for supporting Aboriginal offenders to desist from reoffending* (2014) remains in effect. The agencies also have current strategies aligned with Targets 10 and 11<sup>6</sup> of Closing the Gap: Corrective Services' *Strategic Plan: Towards 2030* and Youth Justice's *Strategic Plan 2024–2030*, but progress is off-track. As at July 2025, the Australian Productivity Commission reported that NSW's progress against Target 10 is worsening, and there is no change (from the baseline) against Target 11. NSW Bureau of Crime Statistics and Research (BOCSAR) data also demonstrates the agencies have not achieved their targets.

The agencies have not monitored, evaluated, formally closed off or reported on the outcomes of their First Nations strategies. The agencies were unable to evidence tangible improvements for First Nations peoples resulting from activity as part of these strategies. Neither agency monitors, disaggregates or reports expenditure attributable to First Nations peoples.

The NSW Treasury's *2023–24 NSW Indigenous Expenditure Report* estimates that \$735.9 million was spent on First Nations incarceration and community supervision in 2021–22. This figure represents the best estimate currently available, but is subject to limitations in data, methodology and interpretation. Nonetheless, it represents a significant investment that cannot be linked to outcomes consistent with strategy and policy by either agency. The absence of expenditure tracking and outcome evaluation increases the risk of inefficient resource allocation and undermines government commitments to reduce the over-representation of First Nations peoples in custody.

### **The agencies have not operationalised the systemic and structural transformation required under Closing the Gap**

Closing the Gap requires systemic and structural transformation of government organisations<sup>7</sup>, informed by First Nations peoples and grounded in evidence.<sup>8</sup> More than 5 years on from the establishment of Closing the Gap, the agencies have not established an overarching evidence-based framework to meet this requirement. Although both agencies have strategies which incorporate Closing the Gap targets, current initiatives do not clearly demonstrate how their efforts deliver the structural transformation required.

For example, strategies include a focus on increasing the number of First Nations staff to achieve Closing the Gap targets. Corrective Services committed to increase First Nations employment to 8% by 2030. As at the date of its current strategy (October 2022), the rate of First Nations employment within Corrective Services was 3.2%. This target aims to increase representation but does not specify levels of seniority. Conversely, Youth Justice committed to increase the representation of First Nations peoples in senior leadership positions across the agency (including its Central Office), but has not outlined a specific target. In December 2025, Youth Justice advised that First Nations peoples represented 22% of agency staff, including in management and executive roles.

However, Closing the Gap emphasises that transformation requires embedding partnerships and shared decision-making with First Nations peoples, including mechanisms for consistent First Nations-led approaches at all levels, not only increasing representation. Without a clear evidence-based framework to operationalise partnerships and shared decision-making, neither agency can demonstrate that its efforts fulfil the requirement for systemic and structural transformation in line with Closing the Gap.

---

<sup>6</sup> Target 10: By 2031, reduce the rate of First Nations adults held in incarceration by at least 15% and Target 11: By 2031, reduce the rate of First Nations young people (aged 10–17) in detention by at least 30%, *National Agreement on Closing the Gap 2020*.

<sup>7</sup> Priority Reform Three, Transforming Government Organisations, National Agreement on Closing the Gap 2020.

<sup>8</sup> Priority Reform One, Formal Partnerships and Shared Decision Making, National Agreement on Closing the Gap 2020.

### **The agencies have not structurally embedded partnerships and shared decision-making in their operations, as required by Closing the Gap and OCHRE**

Partnerships and shared decision-making are set out in Closing the Gap and OCHRE. This requires that First Nations peoples are empowered to share decision-making authority, including as part of governance arrangements, policy and program design, implementation and service delivery, and evaluation.

While the agencies have specific projects that facilitate the principles of co-design, they do not have a formal framework or established mechanisms at a statewide, regional and local level to facilitate partnerships and shared decision-making with First Nations stakeholders, in line with the principle of self-determination. This gap limits the capacity of agencies to deliver system-wide change that reflects the rights, priorities and aspirations of First Nations communities. Youth Justice advised it is in the process of commissioning a First Nations consultancy organisation to develop an agency-level shared decision-making framework, an important step toward embedding self-determination in its operations.

Closing the Gap, OCHRE, and NSW Treasury's *TPG24–26 First Nations Partnership Assessment Policy* also require government agencies to provide First Nations stakeholders with shared access to data and information, aligned with the principles of data sovereignty. However, the agencies do not have formal frameworks or agreements in place to uphold data sovereignty in partnership with First Nations stakeholders.

### **The agencies have not established governance and accountability arrangements to support their organisational targets to reduce over-representation of First Nations peoples in custody**

The agencies have not established the internal governance and accountability structures needed to drive the systemic and structural transformation required under Closing the Gap. This limits their ability to translate strategic intent into operational change and to hold themselves accountable for achieving targets to reduce the over-representation of First Nations peoples in custody.

Both agencies identify failure to reduce over-representation of First Nations peoples in custody as a strategic risk, yet effective governance and accountability mechanisms, including outcomes-focused performance measures, have not been established to mitigate this risk. While both maintain a broad suite of key performance indicators (KPIs), the agencies have not developed outcomes-focused KPIs aligned with the evidence-based factors known to reduce over-representation of First Nations peoples in custody. For example, although both agencies recognise that housing and employment are protective factors that reduce reoffending, they do not monitor, through dedicated KPIs, whether people exiting custody are linked to these services.

Executive oversight mechanisms are primarily focused on high-level metrics, such as the number of First Nations peoples in custody and reoffending rates. While these metrics provide insight into the scale of the issue, they do not on their own indicate how effective agencies are in responding to it. The agencies have not established place-based KPIs that reflect the distinct operational challenges of its facilities across the state, or KPIs that reflect the availability of services in each location.

The agencies have not clearly defined how individual roles and business units contribute to achieving organisational targets through specific functions, delegations and operational activities. Agency staff consistently reported to the audit that they were unaware of how their work contributed to achieving Closing the Gap targets. The absence of clear governance and accountability arrangements creates fragmentation, limits performance monitoring and hinders alignment of operational activities with Closing the Gap requirements.

### **The agencies' classification, intake and assessment tools disproportionately impact First Nations peoples**

Inmate security classification, intake and assessment tools influence an individual's access to rehabilitation programs, education, vocational training, employment and work release. These tools are often not fit for purpose when applied to First Nations peoples.

In 2023 Corrective Services identified that it had been incorrectly classifying inmates at a higher security level based on a misinterpretation of the escape-risk classification, which disproportionately impacted First Nations peoples. This issue was corrected in early 2024 and resulted in the amendment of security classifications for 320 people, around 250 (78%) of which were First Nations peoples.

Youth Justice uses the YLS/CMI-AA intake and assessment tool to determine a young person's needs and risk of reoffending. However, the tool was not designed in consultation with First Nations stakeholders and has been found to disproportionately assess First Nations young people as high risk compared to non-First Nations young people. This is not due to a higher propensity for crime, but rather due to increased exposure to social inequality, which increases the risk rating. The risk rating can also increase based on immediate family relationships, but does not account for First Nations extended kinship structures.

The continued use of tools that are not fit for purpose increases the likelihood that First Nations peoples are classified as high-risk, limiting their access to programs that support reintegration, and exposing them to institutional barriers that contribute to cycles of incarceration.

### **The agencies do not monitor or evaluate their ongoing offence-focused programs to determine effectiveness and appropriateness for First Nations peoples**

Corrective Services delivers a suite of 30 offence-focused programs for all offenders, however, these programs have not been co-designed with First Nations stakeholders. Conversely, Youth Justice delivers 3 offence-focused programs specifically for First Nations peoples, all of which have been co-designed with First Nations stakeholders.

However, the agencies have not established systems to monitor or evaluate the effectiveness of these programs and cannot demonstrate tangible improvements for First Nations peoples. Despite this, both agencies continue to allocate resources and enrol First Nations participants into these programs, creating a risk of ineffective and inefficient resource use.

### **The agencies have not developed a healing framework or therapeutic model of care for First Nations peoples in custody and post release**

OCHRE recognises the enduring legacy of colonisation and the cumulative harm caused by successive government policies. It commits all NSW Government agencies to work with First Nations communities, policy practitioners and service providers to advance the dialogue on trauma and healing, and to develop evidence-based responses. Closing the Gap also requires agencies to facilitate truth-telling, to enable active and ongoing reconciliation and healing.

Twelve years on from the establishment of OCHRE, which remains a current NSW Government policy position, the agencies have not developed a healing framework with First Nations experts and other key stakeholders. As a result, there is no articulated commitment to evidenced-based approaches that address the unique healing needs of First Nations peoples in its systems, or to inform custodial and post-release services including casework and therapeutic care. This results in a critical gap between policy intent (under OCHRE and Closing the Gap) and implementation and increases the risk that custodial settings perpetuate harm for First Nations peoples, rather than support rehabilitation.

In addition, the agencies have not endorsed therapeutic models of care for First Nations peoples in custody and community, despite obligations under the *2022–2024 NSW Implementation Plan for Closing the Gap*<sup>9</sup> to develop culturally appropriate and trauma informed models of care for First Nations peoples in custody and post-release by 2024. Current activity remains limited to early, fragmented pilots that lack a unified model or meaningful partnership with First Nations communities. This creates a risk of inconsistent and culturally unsafe therapeutic care, which may undermine broader therapeutic throughcare efforts.

---

<sup>9</sup> Our performance audit into Governance of the National Agreement on Closing the Gap in NSW (2025) found that NSW implementation plans contained hundreds of initiatives but did not provide strategic guidance or link clearly to the achievement of outcomes. The audit found that progress against initiatives was limited due to weaknesses in governance arrangements, but that the heads of individual NSW Government agencies are also responsible for specific initiatives and accountable for their delivery.

### **The agencies have not identified culturally appropriate post-release services and referral pathways**

The agencies do not have an endorsed list of culturally appropriate healing, therapeutic and psychological services in community to refer First Nations peoples to when leaving custody. First Nations stakeholders reported that without a structured, culturally safe referral pathway, individuals often exit custody without access to services that respond to their unique experiences of trauma, disconnection and cultural identity. Appendix 3 of this report contains notes provided to the audit team by First Nations Inmate Delegates, expressing a lack of awareness of the support services available to them in custody and upon release.

The absence of a consistent referral framework also undermines the effectiveness of in-custody therapeutic interventions. Even where culturally responsive practices are used while in custody, their impact may be limited if they are not reinforced by community-based services that continue the healing journey. The disconnect between custodial and community care contributes to fragmented service delivery and missed opportunities for rehabilitation.

### **The agencies have not established structured, evidence-based approaches to balance their legislative obligations to maintain safety and security, with the delivery of rehabilitation supports**

There is an inherent tension in custodial settings between maintaining safety and security and delivering rehabilitation supports to reduce reoffending.

This tension is compounded by resource limitations across therapeutic and custodial workforces. Psychologists report persistent vacancies, shortages, high turnover and burnout, particularly in regional and remote centres, which necessitate prioritising immediate safety concerns and reduce capacity for structured therapeutic interventions. Custodial staffing constraints, with high numbers of staff unavailable due to workers compensation claims, also reduce operational flexibility and can further disrupt rehabilitative program delivery and casework.

Despite the inherent tension, both functions are legislative responsibilities<sup>10</sup> of equal standing. Yet, the agencies have not established structured, evidence-based and system-wide approaches to balance these obligations. Staff across both systems reported that rehabilitation is treated as a secondary function, rather than an equal core component of custodial operations.

### **The agencies have not used the levers available to them, or adapted their systems, to respond to the increase in the number of First Nations peoples held on remand**

The number of First Nations peoples held on remand has grown significantly since 2019, predominantly driven by bail and sentencing policies outside the agencies' control. However, Corrective Services has been aware of the increase in the number of First Nations peoples being held on remand since at least 2016, when its own internal research highlighted the increase.

Both agencies recognise the systemic challenges of a growing remand population, including limited supports for people on remand, disruption to education, employment and housing, and the increased risk of reoffending and further disadvantage for First Nations peoples.

Despite external factors beyond their control, the agencies have not used the levers available to them, or adapted their systems to better meet the needs of First Nations peoples on remand. Achieving the Closing the Gap targets requires a coordinated whole-of-government approach, including partnerships with relevant agencies and First Nations stakeholders. However, the agencies have not co-designed programs or supports to ensure that First Nations peoples are connected to, or already engaged with, services known to reduce reoffending prior to release from remand. They have also not taken formal steps to raise the practices contributing to the growing remand population with the NSW Government and relevant agencies.

---

<sup>10</sup> Section 2A(1)(d), *Crimes (Administration of Sentences) Act 1999* and Sections 4 and 14, *Children (Detention Centres) Act 1987*.

### **The agencies' formal partnerships with external agencies and First Nations stakeholders are limited**

Corrective Services does not have formal partnerships or structured agreements with external agencies' services known to reduce risks of reoffending, such as Homes NSW, NSW Health and TAFE NSW. The absence of formal arrangements limits the ability of agencies to coordinate efforts, identify and escalate service gaps, share accountability, and ensure consistent service delivery across the justice continuum.

Youth Justice has formal Memoranda of Understanding (MoU) with key agencies including the Department of Education (2015), Justice Health and Forensic Mental Health Network (2016), and the former Department of Community Services (2014). Despite the MoU having been active for between 9 and 12 years, Youth Justice cannot demonstrate their practical operation, effectiveness or the escalation of service system issues that limit access to supports known to reduce reoffending. Youth Justice report that these MoU are currently under review.

The agencies have not established formal partnerships or mechanisms to facilitate consistent engagement with key First Nations stakeholders at statewide, regional and local levels to enable system transformation and a collaborative approach to supporting First Nations peoples exiting custody.

## Recommendations

---

### By July 2027, Corrective Services NSW and Youth Justice NSW should:

1. Establish governance arrangements to direct activity and monitor performance in fulfilling agency obligations under the *National Agreement on Closing the Gap 2020* (Closing the Gap) to reduce the over-representation of First Nations peoples in custody<sup>11</sup> including:
  - a) formal data sharing with First Nations stakeholders, in line with Priority Reform Four<sup>12</sup>
  - b) shared decision-making mechanisms with First Nations stakeholders to enable systemic and structural transformation, in line with Priority Reforms One<sup>13</sup> and Three<sup>14</sup>
  - c) designing and implementing meaningful operational and outcomes-based key performance indicators (KPIs) to track progress in reducing reoffending for First Nations peoples, including transparency over First Nations-specific expenditure, and resulting outcomes
  - d) establishing clear accountability for achieving commitments to reduce reoffending and ensuring this accountability is embedded in governance models and performance frameworks (aligned with Closing the Gap).
2. Develop and implement a First Nations Healing Framework with First Nations communities that fulfills commitments made under OCHRE and Closing the Gap, including:
  - a) co-designing an integrated therapeutic model of care in custody
  - b) a comprehensive list of culturally appropriate therapeutic throughcare supports, approved by First Nations healing experts and made available for staff use. This list should be routinely reviewed and updated in partnership with First Nations stakeholders and informed by current research and best-practice therapeutic evidence.
3. Establish formal partnerships and escalation procedures with relevant agencies and First Nations stakeholders to ensure practical supports post-release, such as housing, education and employment.
4. Undertake a review of inmate classification, intake and assessment tools, and implement any changes required to ensure appropriateness for First Nations peoples.

---

<sup>11</sup> Agencies should have regard to the relevant recommendations set out in our performance audit report *Governance of the National Agreement on Closing the Gap in NSW (2025)* when establishing their agency-level governance arrangements.

<sup>12</sup> Priority Reform Four: Shared Access to Data and Information at a Regional Level, *National Agreement on Closing the Gap 2020*.

<sup>13</sup> Priority Reform One: Formal Partnerships and Shared Decision Making, *National Agreement on Closing the Gap 2020*.

<sup>14</sup> Priority Reform Three: Transforming Government Organisations, *National Agreement on Closing the Gap 2020*.

---

## 3. Introduction

The term First Nations peoples is used by the Audit Office of NSW to reflect the diversity of the distinct Aboriginal Nations that make up New South Wales, each with their own unique stories, languages, histories, kinship systems and connections to Country. The use of the term First Nations also includes Torres Strait Islanders.

### 3.1. The audited agencies

Corrective Services NSW (Corrective Services) manages 34 correctional facilities and 67 Community Corrections Offices, and has specific responsibilities set out in policy and legislation. Corrective Services is responsible for ensuring a safe, secure and humane environment for people who are required to be held in custody (both sentenced and remand), and those supervised in the community. Corrective Services is also responsible for the rehabilitation of offenders, with a view to their reintegration into the community.

Youth Justice NSW (Youth Justice) supervises young people in custody and in the community across 6 Youth Justice Centres and 34 Youth Justice Community Offices. Youth Justice is responsible for facilitating the proper control and management of detention centres, maintaining the physical, psychological and emotional wellbeing of young people, promoting the social, cultural and educational development of young people, and maintaining discipline and good order. The agency's focus areas are: keeping young people out of court/custody; intervening early to address offence-related risks; reducing reoffending; and ensuring community safety.

In July 2019, a machinery of government (MoG) change created the NSW Department of Communities and Justice (DCJ) by merging the former Family and Community Services and Justice departments to lead the *Stronger Communities* Cluster, focused on building safe, just and inclusive communities. Corrective Services and Youth Justice were co-located within DCJ as part of this reform. In October 2024, a subsequent MoG change re-established Corrective Services as a standalone agency.

### 3.2. First Nations peoples in the NSW justice system

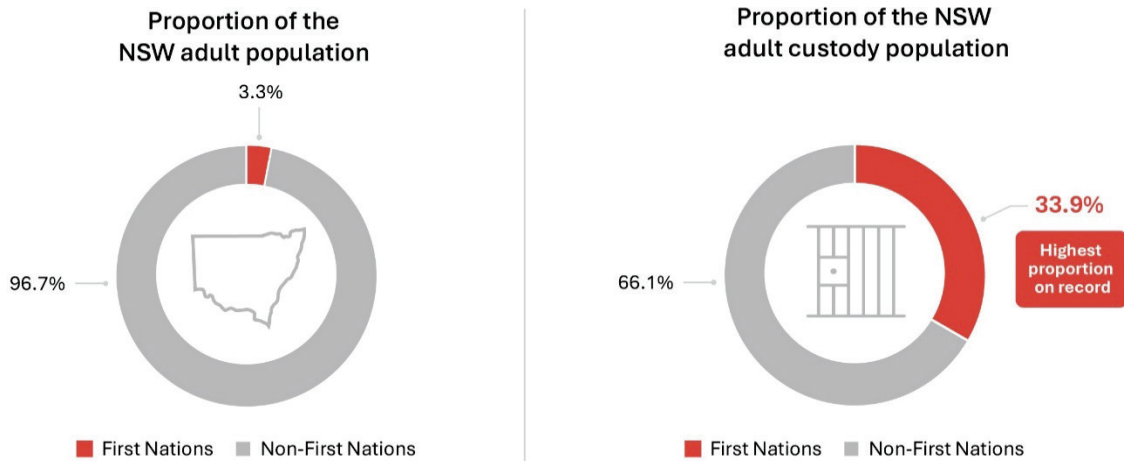
#### Adults

##### Custody

As at December 2025, 33.9% of adults in NSW custody (4,452 people) were First Nations, the highest number and proportion on record. First Nations women made up 44.8% of all women in custody and First Nations men made up 33.1% of all men in custody.

In the 6-year period between January 2019 and December 2025, the number of First Nations adults in custody increased by 32%, from 3,374 to 4,452 people. Over the same period, the number of non-First Nations adults in custody decreased by 12%, from 9,865 to 8,679 people.

**Exhibit 1: Proportion of First Nations adults in the NSW population, compared with their representation in NSW custody as at December 2025**



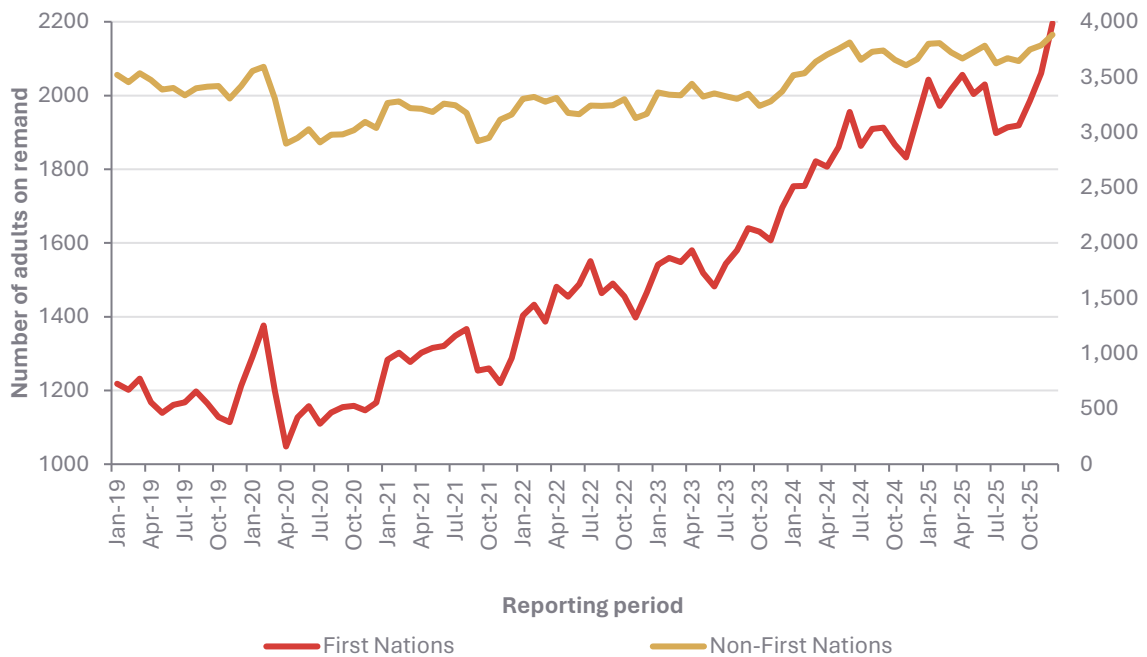
Source: AONSW analysis of ABS and BOCSAR data.

**Remand**

As at December 2025, 2,196 (36.1%) adults on remand were First Nations (pending further court action, usually after being refused bail), the highest number and proportion on record. 48.7% of all women on remand were First Nations, and 35% of all men on remand were First Nations.

In the 6-year period between January 2019 and December 2025, the number of First Nations adults on remand increased by 80.3%. Over the same period, the number of non-First Nations adults on remand increased by 10.3%.

**Exhibit 2: Number of First Nations and non-First Nations adults on remand, between January 2019 to December 2025**



Note: The left axis shows the number of First Nations adults on remand in NSW, while the right axis shows the number of non-First Nations adults on remand in NSW. Although the absolute number of non-First Nations adults on remand is higher, First Nations adults are significantly over-represented relative to their share of the NSW population. Dual scales are used to illustrate both absolute numbers and proportional representation.

Source: AONSW analysis of BOCSAR data.

## Community supervision

As at June 2025, the average daily number of adults under community supervision orders in NSW was 36,805. Of this population, 9,463 (25.7%) were First Nations peoples.

## Reoffending rate

In 2019, 61.1% of First Nations adults released from sentenced custody reoffended within 12 months. The rate remained stable at 61.5% in 2023 (latest available data). Over the same period, the reoffending rate for non-First Nations adults increased slightly from 39.8% to 42.1%.

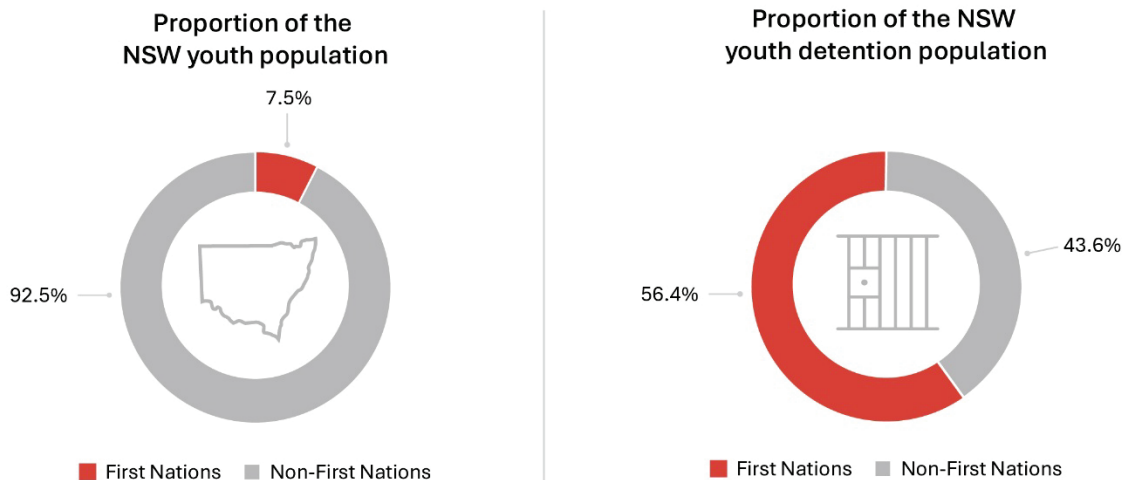
## Young people

### Custody

The proportion of First Nations young people in NSW youth detention peaked in March 2024 at 67.6%, the highest on record. As at December 2025, 127 young people in detention (56.4%) were First Nations, representing a decrease from the peak recorded in March 2024. At December 2025, 40% of all young women in custody were First Nations, and 57.6% of all young men in custody were First Nations.

In the 6-year period between January 2019 and December 2025, the number of First Nations young people in custody decreased by 9.9% from 141 to 127 people. However, the proportion of First Nations young people in custody increased from 48% to 56.4%. Over the same period, the number of non-First Nations young people in detention decreased by 21%, from 124 to 98 people. The proportion of non-First Nations young people in custody also decreased from 52% to 43.6%.

### Exhibit 3: Proportion of First Nations young people in the NSW population, compared with their representation in NSW youth detention as at December 2025



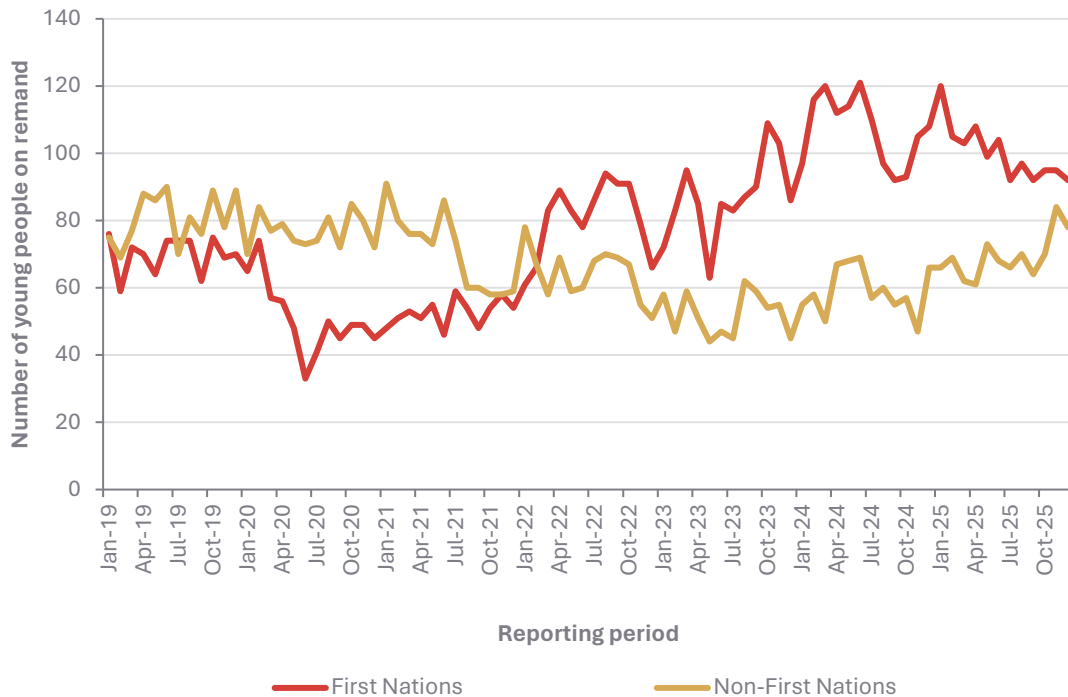
Source: AONSW analysis of ABS and BOCSAR data.

### Remand

The proportion of First Nations young people on remand (of the total remand population) peaked in March 2024 at 70.6%, the highest on record. As at December 2025, 92 young people on remand (54.1%) were First Nations, representing a decrease from the peak recorded in March 2024. At December 2025, 46.2% of young women on remand were First Nations, and 54.8% of young men on remand were First Nations.

In the 6-year period between January 2019 and December 2025, the number of First Nations young people on remand increased by 21.1%. Over the same period, the number of non-First Nations young people on remand increased by 4%.

**Exhibit 4: Number of First Nations and non-First Nations young people on remand, between January 2019 and December 2025**



Source: AONSW analysis of BOCSAR data.

### Community supervision

As at June 2025, there were 894 young people under community supervision. Of this population, 469 (52.5%) were First Nations young people.

### Reoffending rate

In 2019, 73.1% of First Nations young people released from sentenced custody reoffended within 12 months. The rate decreased slightly to 72.7% in 2023. Over the same period, the reoffending rate for non-First Nations young people reduced from 64.6% to 49.3%.

## 3.3. Previous reports and inquiries

A significant number of reports and inquiries dating back to 1991 have highlighted the over-representation of First Nations peoples in the justice system. These sources have detailed the historical, social and economic factors contributing to the disproportionate rates of incarceration, including dispossession and systemic racism, and the need for structural transformation to address over-representation. See Appendix 1 for a detailed summary of previous reports and inquiries relevant to this audit.

## 3.4. Government policy

### NSW Government Aboriginal Affairs Plan 2013, *Opportunity, Choice, Healing, Responsibility, Empowerment (OCHRE)*

The NSW Government’s Aboriginal Affairs Plan, *Opportunity, Choice, Healing, Responsibility, Empowerment (OCHRE)*, was introduced in 2013 and remains a current, active framework. Developed in response to recommendations by the NSW Ombudsman and the Audit Office of NSW, OCHRE requires that First Nations communities are empowered to make decisions about the policies, programs and services that affect their lives. It emphasises partnerships over paternalism and

supports locally designed solutions led by First Nations communities rather than ‘one size fits all’ approaches.

While OCHRE does not contain specific reference to the over-representation of First Nations peoples in the justice system, it outlines several relevant initiatives including the Local Decision Making (LDM) model, aligned with the principle of self-determination. The LDM model supports devolution of local decision-making to First Nations peoples to improve service delivery in areas including the justice system, health, employment and education through negotiated accords. The over-representation of First Nations peoples in the justice system has been a priority theme of accord negotiations.

OCHRE recognises the importance of healing for First Nations peoples, that its meaning varies from person to person, it takes time and cannot be achieved through a one-off event or program. OCHRE also recognises that the wellbeing of First Nations peoples includes physical, social, economic, emotional, cultural and spiritual dimensions.

### ***The National Agreement on Closing the Gap 2020***

The *National Agreement on Closing the Gap 2020* (Closing the Gap) was entered into by all Australian jurisdictions and the Coalition of Aboriginal and Torres Strait Islander Peak Organisations (CAPO) in July 2020. The objective of this Agreement is to ‘overcome the entrenched inequality faced by Aboriginal and Torres Strait Islander people so that their life outcomes are equal to all Australians’. Within the Agreement are 2 targets relevant to this audit:

- Target 10: By 2031, reduce the rate of Aboriginal and Torres Strait Islander adults held in incarceration by at least 15% (from a 2019 baseline).
- Target 11: By 2031, reduce the rate of Aboriginal and Torres Strait Islander young people (10–17 years) in detention by at least 30% (from a 2018–19 baseline).

Under the *2022–2024 NSW Implementation Plan for Closing the Gap*, the government lead for Targets 10 and 11 in NSW was the Department of Communities and Justice (DCJ), under which Youth Justice operates. Corrective Services previously operated under DCJ, until machinery of government changes made it a standalone agency on 1 October 2024. Corrective Services remains solely responsible for the adult correctional system in NSW.

Under the *2025–2028 NSW Implementation Plan for Closing the Gap* (released October 2025) the Families and Justice Sector Committee (FJSC), co-chaired by the Deputy Secretary, System Reform, DCJ, and the CEO of AbSec NSW, is responsible for achieving Targets 10 and 11.

Progress against these targets is reported annually through the Australian Productivity Commission (the Commission). As at July 2025, the Commission reported that NSW’s progress against Target 10 is ‘worsening’, and there is ‘no change’ (from the baseline) against Target 11.

## **3.5. Legislation**

### ***Crimes (Administration of Sentences) Act 1999 and its accompanying Regulation 2014***

The main legislation governing the management of adults in custody in NSW is the *Crimes (Administration of Sentences) Act 1999* and its accompanying Regulation 2014. The objects of this Act are:

- to ensure offenders who are required to be held in custody are removed from the community and placed in a safe, secure and humane environment
- to ensure that other offenders are kept under supervision in a safe, secure, and humane manner
- to ensure that the safety of persons having the custody or supervision of offenders is not endangered
- to provide for the rehabilitation of offenders with a view to their reintegration into the general community.

## ***Children (Detention Centres) Act 1987 and its accompanying Regulation 2015***

The legislation governing the management of young people in custody in NSW is the *Children (Detention Centres) Act 1987*. The objects of this Act are to ensure that:

- persons on remand or subject to control take their places in the community as soon as possible as persons who will observe the law
- sufficient resources are available to enable the above objective to be achieved
- satisfactory relationships are preserved or developed between persons on remand or subject to control and their families.

In the administration of the Act:

- the welfare and interests of persons on remand or subject to control shall be given paramount consideration
- punishment for an offence imposed by a court is the only punishment for that offence.

Section 14(1) of the Act requires the Secretary to ensure that adequate arrangements exist to:

- maintain the physical, psychological and emotional wellbeing of detainees
- promote the social, cultural and educational development of detainees
- maintain discipline and good order among detainees
- facilitate the proper control and management of detention centres.

## ***Young Offenders Act 1997 and its accompanying Regulation 2016***

The *Young Offenders Act 1997* is legislation that provides an alternative process for responding to young people who commit certain offences in NSW. One of the objects of the Act is ‘to address the over-representation of Aboriginal and Torres Strait Islander children in the criminal justice system through the use of Youth Justice Conferences, cautions and warnings’.

Youth Justice Conferences, cautions and warnings are the diversionary options established by the Act. Youth Justice NSW administers Youth Justice Conferences, while NSW Police deliver other diversion pathways. The Act directly informs the policing practices and referral decisions that shape young people’s contact with the justice system and contribute to over-representation. An upcoming performance audit: [Use of prevention and diversionary measures to address the over-representation of First Nations peoples entering custody](#) will examine the role of the NSW Police Force in preventing and diverting First Nations peoples from custody.

## **3.6. Strategic commitments of the audited agencies**

Listed below are the internal strategies established by the audited agencies, relevant to reducing over-representation of First Nations peoples in the justice system. Appendix 2 of this report provides a timeline setting out the establishment and duration of each strategy, alongside relevant reports and inquiries, government policy, and legislation.

### ***Corrective Services NSW April 2014, A Strategy for supporting Aboriginal offenders to desist from reoffending***

This Strategy states that Corrective Services collaborates with other government and non-government agencies to reduce the incarceration and reoffending rates of First Nations peoples, and actively seeks the knowledge and expertise of First Nations community members to advise on strategies for enhancing program relevance and effectiveness.

The Strategy is focused on delivering effective programs that reduce reoffending and providing culturally and geographically appropriate services for First Nations offenders across custody and community. It seeks to strengthen education, vocational training and employment pathways to support community reintegration, ensure trauma-informed programs for First Nations women that enhance family and community connections, and offer relevant cultural awareness initiatives reflecting local Country, language, art and customs.

Additionally, it aims to improve accountability of Corrective Services-funded organisations and promote collaboration with regional non-government organisations and other government agencies to better address the complex needs of First Nations peoples leaving custody.

Corrective Services advised that this Strategy is ongoing.

### **Former Department of Justice NSW, *Reducing Aboriginal Over-representation in the Criminal Justice System 2018–2020***

This Strategy outlined 3 main objectives:

- help First Nations peoples avoid contact with the criminal justice system
- reduce the length of time First Nations peoples spend in custody, either on remand or sentenced
- reduce the rate of First Nations reoffending.

The Strategy expired in 2021 and was replaced by the *2022–24 NSW Implementation Plan for Closing the Gap*.

### **Former Department of Juvenile Justice NSW, *Aboriginal Strategic Plan 2018–2022***

This Strategy set out to provide a 4-year framework for First Nations engagement and a program of work to deliver better outcomes for First Nations peoples. The Strategy outlined 5 key outcomes for Juvenile Justice:

- fewer First Nations young people in custody or on community orders
- more First Nations young people participating in early intervention and diversion programs,
- more First Nations staff (particularly in senior and leadership roles)
- embedded cultural practice across the agency
- First Nations issues, needs and culture systematically addressed through policy and practice.

The Strategy expired in 2022, at the conclusion of its intended 4-year period.

### **Youth Justice NSW, *Strategic Plan 2024–2030***

This is a one-page Strategic Plan structured around Closing the Gap Target 11 and the 4 Closing the Gap Priority Reforms. The strategy states that Youth Justice will achieve Target 11 by actions oriented around 5 focus areas:

- efforts and resources genuinely oriented towards Closing the Gap in a place-based way
- central teams will re-prioritise and re-align their work
- Directors, Managers and Shift Supervisors will become active implementors of the Closing the Gap Priority Reforms
- a commitment to transitioning towards leadership of Youth Justice being shared with First Nations peoples
- that Youth Justice will become anti-racist.

This is Youth Justice's current strategy.

## **Corrective Services NSW 2022, *Strategic Plan: Towards 2030***

This Strategic Plan outlines 6 strategic priorities:

- work together as one team to achieve a reduction in reoffending
- develop a capable, professional, respectful and safe workforce that reflects the community it serves
- provide offenders with enhanced end-to-end case management to support them in breaking the cycle of reoffending and successfully re-integrating back into community
- ‘close the gap’ and reduce the over-representation of First Nations peoples in custody
- reduce the number of unnatural deaths in custody towards zero
- implement key performance indicators to track progress against priorities.

This is Corrective Services’ current Strategy, but it has reported that the strategy is currently under review.

---

## 4. Use of place-based data to target the drivers of over-representation

First Nations stakeholders advised this audit that specific factors such as poverty, community disadvantage and intergenerational trauma vary by location, which means a generic approach to service delivery and supports for First Nations peoples in custody is not appropriate. A 2025 review of Closing the Gap by the Australian Productivity Commission emphasised the need for agencies to coordinate place-based and community-led approaches, with shared accountability, informed by robust data.

The need for a place-based approach to respond to local priorities is required under Priority Reform One of Closing the Gap, Formal partnerships and shared decision-making. Priority Reform Four of Closing the Gap, Shared access to data and information at a regional level, also requires the provision of place-based data to First Nations communities, enabling community-led solutions, increased transparency and accountability, and demonstrated outcomes.

A 2011 NSW Ombudsman report *Keep them safe?*, in relation to the NSW child protection system emphasised the need for an intelligence-driven approach to service delivery and resource allocation. It found that a small proportion of families accounted for a large share of child protection reports, highlighting the importance of identifying and prioritising those families. The report recommended a comprehensive system where key agencies collaborate to collect, analyse and act on aggregated data to target extreme risks effectively, and enable the most efficient allocation of limited resources.

A similar need for data-driven service planning was highlighted in our 2020 performance audit, *Their Futures Matter*, in relation to a whole-of-government reform aimed at delivering improved outcomes for vulnerable children, young people and their families. This report recommended that the Department of Communities and Justice utilise the Human Services Dataset to identify the needs of vulnerable children and families, and undertake independent service mapping to assess whether existing services respond to these needs. Exhibit 5 below illustrates another example of utilising shared data to identify and support high-need clients, through the Maranguka Justice Reinvestment Project in Bourke, NSW, Australia's first major First Nations-led, place-based justice reinvestment initiative.

Applying a comparable approach in the justice context, the use of a cross-agency, place-based and data-driven approach led by First Nations stakeholders would enable the agencies to better understand local drivers of over-representation and ensure that interventions and supports are available and appropriately targeted. Where the identified drivers of over-representation are outside the agencies' direct control, the collection and analysis of relevant localised data would enable the formation of an evidence base to identify and raise service gaps and barriers to relevant agencies and community stakeholders.

## Exhibit 5: Case study of First Nations-led initiative, and the use of shared data to identify and support high-needs clients

### Maranguka Justice Reinvestment in Bourke, NSW

The Maranguka Justice Reinvestment Project in Bourke is Australia's first major First Nations-led, place-based justice reinvestment initiative. It redirects resources from incarceration to prevention and community development, aiming to reduce crime and improve wellbeing. It brings together community, government and non-government stakeholders to address the root causes of crime and disadvantage through coordinated, preventative action.

The establishment of the Cross Sector Leadership Group, involving senior representatives from justice, health, education and social services, created a shared platform for decision-making and alignment. This group meets regularly to support the goals of the community-led strategy, *Growing Our Kids Up Safe, Smart and Strong*, and to ensure that services are responsive to local priorities.

The project also embeds shared accountability through governance structures like the Bourke Tribal Council and working groups focused on early childhood, youth and the role of men. These groups include both community members and service providers, fostering joint ownership of outcomes and enabling coordinated responses to complex social issues.

A major innovation is the use of shared data to identify and support high-need clients. The Maranguka team integrated cross-agency datasets to track indicators such as domestic violence, youth offending, school retention and adult custody. This data is regularly shared with the Tribal Council, ensuring transparency and community oversight. It has enabled targeted interventions, such as daily check-ins for at-risk youth and collaborative case management for families with multiple service contacts.

A 2018 KPMG Impact Assessment reported that as at 2017, the project achieved:

- 23% reduction in domestic violence incidents
- 38% drop in juvenile charges
- 42% reduction in adult custody days
- estimated \$3.1 million in gross impact, with operational costs of \$600,000.

Source: AONSW analysis of publicly available information.

### The agencies do not use place-based approaches to identify and monitor the driving factors of over-representation, limiting their ability to design targeted interventions

The agencies have not developed place-based approaches to understand or monitor the factors contributing to the over-representation of First Nations peoples in custody, limiting their ability to design targeted interventions.

For example, although offence data by location is publicly available, the agencies do not routinely analyse it to identify localised root causes. Exhibit 6 highlights that the Local Government Areas (LGAs) of Bourke, Brewarrina, Central Darling, Moree Plains and Coonamble consistently recorded the highest number of First Nations custody admissions over the audit period. The highest expenditure on justice services and supports for First Nations peoples was also estimated to be concentrated in the same LGAs.

## Exhibit 6: Case study of place-based data analysis

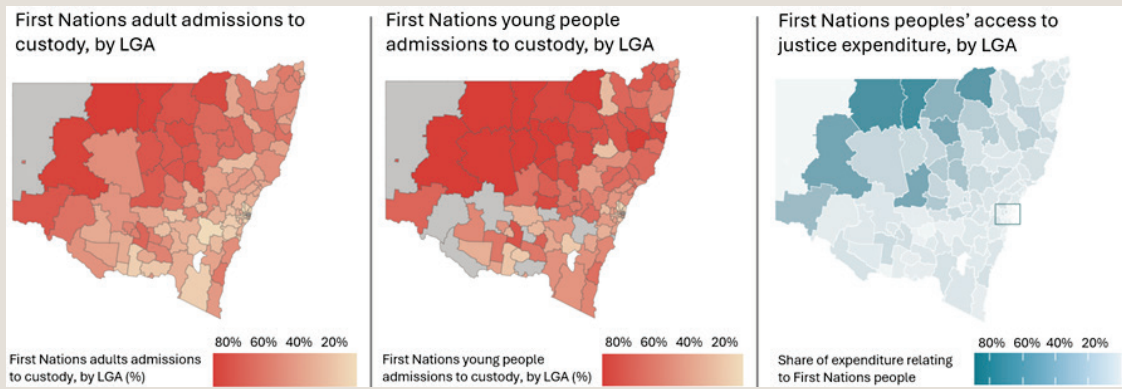
### First Nations custody admissions and access to justice services

During the audit period, First Nations peoples from the Local Government Areas (LGAs) of Bourke, Brewarrina, Central Darling, Moree Plains and Coonamble had the highest rate of admissions into custody.

As part of its 2023–24 NSW Indigenous Expenditure Report, NSW Treasury analysed justice expenditure on a geographical basis using the local government area of residence of service users. In this context, justice expenditure refers to the funding allocated to legal services, supports, and programs that assist First Nations peoples engage with and navigate the legal system.

This analysis found that the proportion of access to justice services and supports attributed to First Nations peoples is highest in central northern NSW, particularly Brewarrina (93%), Bourke (87%), Central Darling (83%), Moree Plains (80%) and Coonamble (74%). NSW Treasury noted:

*as the First Nations share of expenditure is over 80% for some LGAs, there is a strong need for place-based solutions. The high proportion of expenditure also demonstrates the need for culturally appropriate services to meet the needs of First Nations clients in these areas.*



Source: AONSW analysis of evidence provided by Corrective Services and Youth Justice, and the NSW Treasury Indigenous Expenditure Report 2023–24.

### Youth Justice has demonstrated utilising location data to inform the recommissioning of specific programs and initiatives

Youth Justice has utilised location data to guide the recommissioning of specific early intervention and diversion programs, which has led to some improved alignment between service delivery and areas of greatest need (see Exhibit 7).

However, the agency lacks a consistent, system-wide approach to its use of location-based data. Current use is ad hoc and largely confined to specific program decisions, rather than informing broader strategic planning, resource allocation or targeted interventions. Without an integrated framework for analysing and applying this data, opportunities to address underlying drivers of over-representation are missed.

## Exhibit 7: Case study of Youth Justice’s use of location data to inform program recommissioning

### Safe Aboriginal Youth Program

The Safe Aboriginal Youth Program (SAYP) is a community-based service that provides safe transport and outreach services for First Nations young people aged 12 to 18 years who are unsupervised in public places after hours. The program aims to divert young people away from harmful activities and reduce the likelihood of criminal involvement.

SAYP was initially rolled out in 6 locations: Kempsey, Taree, Newcastle, Dubbo, Bourke and Wilcannia. In November 2024, the NSW Premier announced an expansion of SAYP to an additional 5 priority locations, with the program being funded through a \$26.2 million NSW Government package to ‘enhance community safety in regional NSW by building up early intervention and prevention programs for young people’.

To identify the priority locations, Youth Justice consulted with community and analysed BOCSAR data, focusing on the number of First Nations young people either proceeded against by NSW Police through court diversion or diverted under the *Young Offenders Act 1997*, including the types of diversion used. This was combined with Aboriginality and Local Government Area data to inform decision-making. As a result, the selected locations were: Moree, Orange, Coffs Harbour, Tamworth and expanded services in Dubbo.

Youth Justice completed the recommissioning of SAYP, with 9 Aboriginal Community-Controlled Organisations (ACCOS) selected to design and deliver the program across priority locations, in partnership with community. The agency advised that this has resulted in a \$6.5 million investment over 5 years between April 2025 and March 2030. Youth Justice advised that SAYP has not been evaluated, but that a future evaluation can be considered should there be funds available to do so.

### Community Corrections has improved its understanding of localised needs

In 2024 and early 2025, Community Corrections (part of Corrective Services) undertook a comprehensive review to better understand its client base and operational environment. This included analysing demographic and criminal history data for people under community supervision, with a focus on key offence-related needs and cultural background. The project mapped the availability of Corrective Services programs and external services at each Community Corrections office and examined staffing profiles, including the number of culturally identified positions. To complement this data, the team engaged extensively with staff through 276 face-to-face consultations and a statewide survey of 390 staff members.

The insights gathered were used to create detailed location profiles for each office, outlining the characteristics of supervised individuals, such as risk ratings and needs related to mental health and substance use, the staffing mix and the programs and services available. These profiles were designed to identify service gaps and highlight areas requiring additional resources. Based on these findings, key themes were identified, and Corrective Services advise that work is now underway across the agency to address these gaps and strengthen support for people on supervised orders.

While this represents a positive step toward evidence-based service planning, there is limited evidence that these insights have been translated into a structured, system-wide strategy with clear priorities, timelines and performance measures. Without this, there is a risk that the value of this work will not be fully realised and service gaps may persist.

---

## 5. Shared decision-making

Closing the Gap requires that First Nations peoples are not merely consulted or included in advisory roles but are instead empowered to share decision-making authority with government. A 2020 federal government report noted that Closing the Gap:

*is based on true partnership, and on a commitment by all governments to work together, and to work with Aboriginal and Torres Strait Islander people... At the core of this new process is the expertise of Aboriginal and Torres Strait Islander people.*

Under Closing the Gap, the NSW Government agreed to establish formal partnerships and shared decision-making with First Nations stakeholders. This includes embedding First Nations-led approaches at all levels of policy, program design, service delivery and evaluation through formal partnership arrangements, to accelerate systemic and structural transformation.

OCHRE aims to devolve decision-making authority to First Nations Regional Alliances/Assemblies, in line with the principle of self-determination, defined by the Australian Human Rights Commission as the right of First Nations peoples to make decisions about matters that affect their lives, through choice, participation and control. This is supported through formal partnerships and shared decision-making with government agencies. For example, under the Local Decision Making model, the NSW Government and regional First Nations governance bodies enter into formal 'Accords' to jointly set priorities and work in partnership to improve outcomes for First Nations communities.

### **The agencies have not operationalised shared decision-making with First Nations stakeholders to drive systemic and structural transformation**

Closing the Gap and OCHRE require government agencies to establish formal partnerships and shared decision-making with First Nations stakeholders. This includes clearly defining how shared decision-making will operate in practice, such as roles and responsibilities, and delegations for decision-making in relation to reforms and resource allocation.

Consistent with Closing the Gap and OCHRE, NSW Treasury's *TPG24–26 First Nations Partnership Assessment Policy* (TPG24–26), issued 1 November 2024, mandates that government agencies complete a First Nations partnership assessment setting out their approach to governance and engagement with First Nations stakeholders. The assessment is to be completed for any new measure that is First Nations-specific or that would significantly or disproportionately impact First Nations peoples.

The agencies do not have a comprehensive, agency-wide framework that translates these principles into practice. In the absence of such a framework, there is no consistent or coordinated mechanism for engaging First Nations stakeholders in shaping systemic and structural transformation. This gap limits the capacity of agencies to deliver system-wide change that reflects the rights, priorities and aspirations of First Nations communities.

Youth Justice advise it is currently commissioning a First Nations consultancy organisation to develop an agency-level shared decision-making framework, an important step toward embedding self-determination in its operations.

### **Both agencies have mechanisms to consult with First Nations stakeholders to develop discrete projects**

While the agencies do not have an overarching framework for shared decision-making at the agency level, there are instances where First Nations stakeholders have been consulted in the design of specific projects.

In February 2024, both agencies implemented Aboriginal Impact Statements (AIS), a formal mechanism designed to ensure that First Nations perspectives are considered in the development and implementation of new programs and projects. An AIS encourages agency staff to engage with First Nations communities from planning, throughout the life of a project.

However, the AIS process positions First Nations communities as consultees. Whilst the input of First Nations stakeholders is sought and considered, the agencies have not demonstrated the existence or operation of mechanisms to support partnerships and shared decision-making, as required under OCHRE and Closing the Gap. The use of AIS' is also limited to the introduction of new projects, meaning that ongoing programs, policies, and operational reforms proceed without First Nations input. Between February 2024 when AIS' were introduced and December 2024, Corrective Services reported the completion of 4 AIS' and Youth Justice reported the completion of one.

Corrective Services advised that it does not have a process in place for completion of TPG24–26 assessments, rather that its AIS process covers most of the requirements of the policy. However, TPG24–26 specifically states that internal impact statements such as AIS' do not replace the requirement for agencies to complete the required assessment. It states, 'this ensures consistency in the evidence provided to Cabinet and central agencies to inform advice and decision-making. Agencies can attach and cross-reference their own internal impact assessments to avoid duplication where relevant'. Youth Justice advised that it has completed 3 TPG24–26 assessments since the policy was introduced, noting that as a relatively small agency it has brought few new proposals to the Expenditure Review Committee or Cabinet since the policy commenced in November 2024.

## 5.1. First Nations leadership within each agency

### **First Nations leaders within each agency lack shared decision-making authority in line with Closing the Gap and OCHRE**

While First Nations representation exists at the executive level, it does not translate into influence over operational or procurement decisions that affect First Nations peoples.

YJNSW has senior roles held by First Nations staff. However, these positions are not formally identified. CSNSW has an identified senior position. These roles do not have the delegated, system-wide operational authority necessary to influence core service delivery or resource allocation. Instead, their responsibilities are largely advisory or program-specific, limiting the extent to which First Nations leadership can shape strategic and operational decisions across the agencies.

This lack of authority by First Nations leaders within both agencies fails to meet the intent of partnerships and shared decision-making as required under Closing the Gap and OCHRE, and in line with the principle of self-determination.

### **Despite commitments to increase First Nations employment, the agencies have not established the authorising environment to enable First Nations-led decision-making**

Corrective Services has committed to increase First Nations employment to 8% by 2030 as part of a broader effort to improve cultural safety, inclusion and representation. This target is a core key performance indicator (KPI) in the Corrective Services *Strategic Plan: Towards 2030*. It aims to increase representation but does not specify levels of seniority. As at the date of its current strategy (October 2022), the rate of First Nations employment across Corrective Services was 3.2%.

In February 2024, Youth Justice established its *Aboriginal Employment Plan 2024–2026* (AEP), with the following targets:

- increase First Nations employees in each custodial centre to 10–15%
- increase senior leadership by filling all ongoing vacant positions via targeted or identified recruitment, with a particular focus on senior roles including Unit Manager and above in centres (Level 4), and Grade 9/10 and above in Community and Central Office.

As at February 2024, the rate of First Nations employment across Youth Justice was 11.4%. In December 2025, Youth Justice advised that its AEP has contributed to an increase in First Nations staff representation to 22%, including in management and executive roles.

However, Closing the Gap emphasises that transformation requires embedding partnerships and shared decision-making with First Nations peoples, including mechanisms for consistent First Nations-led approaches at all levels, not only increasing representation. Without a clear evidence-based framework to operationalise partnerships and shared decision-making, the agencies risk First Nations staff being employed into a system which does not provide the authorising environment for First Nations-led approaches.

## 5.2. Engagement at a statewide, regional and local level

### **The agencies have not established formal engagement mechanisms with statewide First Nations stakeholders to facilitate shared decision-making**

Under Closing the Gap, OCHRE and TPG24-26, each agency is responsible for facilitating formal partnerships and shared decision-making with First Nations stakeholders. This would enable the delivery of reforms that are community-led, culturally safe and responsive to the needs of First Nations peoples. The agencies have not established formal engagement mechanisms at a statewide level to meet this requirement.

Corrective Services established the Aboriginal Advisory Council (AAC) in 2018, intended to provide strategic guidance to the agency and as a mechanism to support engagement with First Nations communities. At its establishment, members of the AAC included both First Nations and non-First Nations representatives from government and non-government organisations across health, justice, housing, employment and research sectors, including Corrective Services staff. Of the 10 AAC agendas and minutes reviewed (dated between June 2018 and November 2022), AAC meetings included discussions in relation to Corrective Services' strategy refresh, Terms of Reference for the AAC, presentations by Corrective Services staff in relation to planned initiatives for First Nations peoples, and presentations by other members and stakeholders in relation to existing programs and initiatives.

However, AAC members were appointed by Corrective Services rather than selected through a community-led process, inconsistent with the principles of shared decision-making and self-determination. The AAC did not have shared decision-making authority or the capacity to influence systemic or structural transformation. It was also not formally embedded within Corrective Services' governance structures. The AAC has been inactive since 2022. Corrective Services advised that a new AAC will become operational by late 2025 and that new members have already been identified. Corrective Services has not provided evidence to demonstrate that the renewed AAC has been designed in line with the principles of self-determination and shared decision-making, including whether First Nations communities have had a central role in determining the AAC's membership, purpose and authority.

Youth Justice do not have a statewide First Nations shared decision-making mechanism, however it reports that it is currently in the process of developing a model of shared decision-making, including the establishment of an Aboriginal Advisory Group. This presents an opportunity for Youth Justice to design the Aboriginal Advisory Group in line with the principles of self-determination and shared decision-making as required by OCHRE and Closing the Gap.

### **The agencies have not established formal engagement mechanisms with regional or local First Nations stakeholders to facilitate shared decision-making and improve throughcare support**

Closing the Gap and OCHRE require government agencies to work with both regional and local First Nations governance groups. Specifically, the 8 Aboriginal Regional Alliances (Alliances) formally recognised by the NSW Government under the NSW Coalition of Aboriginal Regional Alliances (NCARA). Each Alliance represents the local communities within its boundary, operates through its own structures and priorities, and advances community aspirations through Local Decision Making (LDM) negotiations on what services are delivered and how they are designed and implemented.

OCHRE states that where Alliance coverage does not extend to parts of the state, agencies must establish separate engagement mechanisms with First Nations community governance groups to ensure inclusive and culturally legitimate decision-making, consistent with LDM principles.

The agencies (including Correctional and Youth Justice Centres and Community Offices) have not established formal engagement mechanisms with regional or local First Nations stakeholders to consistently facilitate shared decision-making. For example, neither has created mechanisms to engage with the Alliances. Six out of 8 Alliances identified priorities related to Closing the Gap Targets 10 and 11, to reduce the over-representation of First Nations peoples in custody. Six reported that they do not have formal shared decision-making arrangements with either agency.

Some Youth Justice Centres advised that they engage with local First Nations stakeholders and organisations. However, this consultation occurs on an ad hoc basis, rather than through formal arrangements with clear reporting and accountability. In many centres, engagement efforts were heavily reliant on individual First Nations staff members, and staff across both agencies advised us that First Nations employees carry significant workloads and that turnover rates are high. The Inspector of Custodial Services (ICS), *Inspection Standards for Aboriginal People in Custody*, highlight the importance of providing appropriate supports to address isolation, cultural load and burnout among First Nations staff. Youth Justice advised that a Cultural Supervision Framework was introduced as a pilot program from July 2025, giving First Nations staff access to cultural supervision, including one session with an approved provider every 3 months.

The absence of formal partnerships limits the ability of agencies to co-design culturally responsive services and drive structural transformation across its regional and local systems. This gap is particularly critical in areas such as throughcare support, where culturally safe and community-led approaches are essential for improving outcomes for First Nations peoples transitioning from custody to the community. Despite their knowledge of regional and local needs and solutions, there is no consistent platform for First Nations stakeholders to influence the design of rehabilitation, reintegration or diversion programs tailored to their communities.

### 5.3. Shared access to data and information

#### **The agencies do not have a formal data sovereignty framework or related mechanisms to support self-determination and shared decision-making at the statewide, regional and local level**

The *NSW Government Data Strategy 2021*, acknowledges the right of First Nations peoples to govern the creation, collection, ownership and application of their data. The Strategy also acknowledges that First Nations peoples have the right to data that empowers sustainable self-determination and self-governance, including data that is relevant, contextual, disaggregated, and protective and respectful of individual and collective interests.

In 2015, a Premier's Memorandum (M2015-01) was issued setting out the roles and responsibilities of NSW Government agencies in supporting the Local Decision Making (LDM) model established under OCHRE. The Memorandum remains current and includes a direction for government and LDM Regional Alliances to share service provision and indicator data to support the operation of LDM. Priority Reform Four of Closing the Gap also requires the NSW Government to provide First Nations stakeholders with shared access to data and information at a regional level. Consistent with these obligations, NSW Treasury's mandatory *TPG24-26 First Nations Partnership Assessment Policy* November 2024, also requires agencies, for any new measure, to demonstrate how Aboriginal Data Sovereignty and Aboriginal Data Governance will be upheld.

Despite these requirements, the agencies do not have formal frameworks or agreements in place to uphold data sovereignty in partnership with First Nations stakeholders. Without a formal framework and related mechanisms, First Nations peoples cannot exercise self-determination. The agencies do not provide First Nations governance bodies with consistent access to disaggregated, community-specific data, such as incarceration rates, reoffending trends, or information on the outcomes and effectiveness of rehabilitation and throughcare supports. This restricts the ability of First Nations stakeholders to design, lead and deliver culturally informed solutions tailored to their communities.

Providing this data to First Nations governance bodies and communities would directly support the agencies' objectives to reduce over-representation in their systems and make more efficient use of limited resources. This approach also aligns with Priority Reform Two under Closing the Gap, which recognises First Nations organisations as experts best placed to drive service design and delivery.

Corrective Services advised that its Aboriginal Strategy Directorate ensures data is shared with First Nations stakeholders during specific projects. Similarly, Youth Justice advised that its Client Information Management System (CIMS) Business Transformation Program is embedding Indigenous Data Sovereignty and Governance principles, including developing these principles and a framework for their practical application. Although these are positive steps by both agencies, this activity is confined to specific projects and programs.

---

## 6. Embedding the principle of healing

Under OCHRE, healing is recognised as a central and non-negotiable principle for transforming relationships between government agencies and First Nations communities. OCHRE emphasises that healing cannot be achieved through a one-off event or program; rather, government must work with First Nations communities, policy practitioners and service providers to advance the dialogue in NSW about trauma and healing, and to develop responses informed by evidence of good practice.

The NSW Government has a responsibility to support and enable healing across First Nations communities and requires agencies, including Corrective Services and Youth Justice, to embed healing in their policies, practices and service delivery. A 2019 *OCHRE Review Report* by the NSW Ombudsman outlines 4 key areas in which agencies can support healing:

1. encouraging greater recognition and respect for First Nations peoples and culture
2. undertaking research to contribute to an evidence base
3. committing funding for First Nations healing programs
4. ensuring policies and programs expressly recognise healing for First Nations peoples and communities as an outcome.

OCHRE recognises that agencies must move beyond transactional service delivery and embed healing as a core principle in how they engage with First Nations communities. This includes creating culturally safe environments, supporting trauma-informed care and recognising and respecting First Nations ways of healing, including connection to Country, Elders and cultural practices. OCHRE requires healing to be community-led, with support from government agencies to identify evidence-based approaches and provide necessary resources and support.

Healing is not a one-off event or program, but rather a process that takes time and must be embedded within broader systemic and structural transformation. As healing is inseparable from self-determination, agencies must embed First Nations leadership and shared decision-making over the design, delivery and evaluation of healing initiatives, including upholding data sovereignty, respecting cultural governance and supporting local leadership.

Aligned with OCHRE, Priority Reform Three under Closing the Gap requires government agencies to: ‘identify their history with Aboriginal and Torres Strait Islander people and facilitate truth-telling to enable reconciliation and active, ongoing healing’, particularly through formal partnerships and engagement with First Nations communities.

### 6.1. A formal framework for healing

#### **The agencies have not developed a formal healing framework, in line with NSW Government commitments**

Corrective Services recognised the unique rehabilitative needs of First Nations peoples in its development of a draft Rehabilitation Framework in March 2025. Similarly, Youth Justice’s Practice Guide acknowledges the significant impact of intergenerational trauma on First Nations peoples and the importance of using trauma-informed practice.

However, the agencies have not developed a healing framework with First Nations experts and other key stakeholders. As a result, there is no articulated commitment to evidenced-based approaches that address the unique healing needs of First Nations peoples in its systems, or to inform custodial and post-release services, including casework and therapeutic care. This results in a critical gap between policy intent (under OCHRE and Closing the Gap) and implementation. It also increases the risk that custodial settings perpetuate harm for First Nations peoples, rather than support rehabilitation.

## 6.2. First Nations healing and therapeutic models of care

### **The agencies have not established a body of evidence to inform First Nations healing and therapeutic models of care in custody and community settings**

The agencies have not developed or endorsed an evidence-based framework for First Nations healing and therapeutic care in custody or community settings, and have not engaged or partnered with First Nations healing experts. This gap persists despite:

- a 2017 Audit Office of NSW report [Therapeutic programs in prisons](#), which raised concerns about the lack of culturally responsive rehabilitation pathways for First Nations peoples in custody, noting poor outcomes and systemic barriers despite significant investment
- requirements under the NSW Government's *2022–2024 NSW Implementation Plan for Closing the Gap* for the agencies to co-design and establish a culturally appropriate, trauma-informed therapeutic model for First Nations peoples in custody by 2024, aimed at identifying system and service changes to address the underlying causes of offending
- the existence of substantial literature on culturally-grounded best practice approaches.

In 2024, Corrective Services established a partnership with the University of Sydney's First Nations Health Research Lead to develop a Social and Emotional Wellbeing program for First Nations young people (18–24) in prison. The program aims to build an evidence-based curriculum addressing behavioural drivers. Literature reviews, interviews and focus groups have been completed, with a pilot planned and full implementation anticipated in 2 to 3 years.

Corrective Services' *Strategic Plan: Towards 2030*, commits to co-designing a new place-based model with Aboriginal Community-Controlled Organisations (ACCOs), though this work has not started. The agency also plans to establish an Aboriginal Chief Psychologist to guide the integration of First Nations ways of Knowing, Being and Doing into psychological practice, aligned to its Aboriginal and Torres Strait Islander Cultural Safety Framework.

Youth Justice advised it has secured funding in 2025–26 to develop a throughcare and therapeutic services package for First Nations young people. In 2024, it delivered the Therapeutic Pathways for Children Project, including a place-based community-led diversionary pilot, and is supporting development of a Fetal Alcohol Spectrum Disorder (FASD) assessment and treatment approach with ACCOs.

Whilst positive, these actions are early-stage, largely pilot or one-off initiatives and remain fragmented. They do not yet constitute a unified, evidence-informed and co-designed framework across custody and community, or a comprehensive throughcare pathway. Without an evidence-informed model the agencies are limited in their ability to effectively deliver culturally safe psychological services.

### **Both agencies lack a consistent, evidence-based approach to healing and therapeutic care for First Nations peoples in custody**

Both agencies employ permanent psychologists across custodial facilities, including 2 First Nations psychologists in Clinical Manager roles within Youth Justice. However, the agencies do not have a settled or endorsed approach on the most effective model of psychological or therapeutic care for First Nations peoples in custody. This is despite requirements under the Psychology Board of Australia's Code of Conduct (the Code), for psychologists to practise safely and effectively, informed by the best available evidence, selecting interventions that are both evidence-based and culturally responsive. Where evidence is absent, the Code directs practitioners to follow accepted best practice.

In the absence of an endorsed therapeutic model, both systems lack clarity about the most appropriate approaches to psychological and therapeutic care for First Nations peoples in custodial environments. Psychologists across both systems reported limited awareness of, or access to, evidence on best practice models for First Nations peoples. Current practice draws on Cognitive Behaviour Therapy (CBT), Dialectical Behaviour Therapy (DBT) and Narrative Therapy, but staff expressed mixed views about the suitability of some of these modalities for First Nations peoples. This indicates inconsistency in how therapeutic interventions are selected and delivered.

Due to the agencies not establishing a settled therapeutic model for First Nations peoples in custody, they have not determined the level of therapeutic dosage required to meet identified needs. Without a settled model, including dosage and supporting indicators to measure therapeutic intensity, the agencies cannot demonstrate whether interventions are sufficient, responsive or effective.

Within Corrective Services, approaches to addressing trauma in custody also remain unsettled and inconsistent. In response to the audit, the agency advised that: 'there is a lack of a strong empirical evidence base to demonstrate that addressing trauma alone reduces reoffending'. It emphasised the constraints of delivering psychological interventions in custodial environments and that psychologists primarily focus on criminogenic issues and risks of reoffending. Conversely, Corrective Services staff, including psychologists, consistently held the view that addressing trauma is critical to reducing reoffending.

In response to the audit, Youth Justice advised that the custodial environment is inherently dangerous and criminogenic, limiting the feasibility of trauma-focused supports in custody. Operational staff across the agency agreed, expressing that there is a strong link between trauma and offending, but that addressing trauma directly is not appropriate in detention. Staff advised that their focus is instead on stabilisation and immediate trauma-related presentations.

The differing views within Corrective Services underscore the absence of an agency-level position on how trauma should be addressed within custodial settings. Whilst custodial settings may not be an appropriate setting to address trauma, both agencies agree that addressing it plays a critical role in reducing reoffending. This underscores the need for a settled approach for responding to trauma in custodial settings in some form. This is also critically relevant to enable structured, culturally safe referral pathways to ensure continuity of therapeutic and healing supports upon release from custody.

### **The agencies have not identified culturally appropriate post-release services and referral pathways**

Neither agency has an endorsed list of culturally appropriate healing, therapeutic and psychological services in community to refer First Nations peoples to upon exit from custody. First Nations stakeholders reported that without a structured, culturally safe referral pathway, individuals often exit custody without access to services that respond to their unique experiences of trauma, disconnection and cultural identity. Appendix 3 of this report contains notes provided to the audit team by First Nations Inmate Delegates, expressing a lack of awareness of the support services available to them in custody and upon release.

The absence of a consistent referral framework also undermines the effectiveness of in-custody therapeutic interventions. Even where culturally responsive practices, such as narrative therapy or yarning circles are used while in custody, their impact may be limited if they are not reinforced by community-based services that continue the healing journey. The disconnect between custodial and community care contributes to fragmented service delivery and missed opportunities for rehabilitation.

Exhibit 8 below is an example of a program identified during the audit which reports a significant reduction in reoffending. While this program is just one example, it is notable that the agencies have not adopted a holistic approach to identifying and assessing the broader service landscape, limiting their ability to make effective referrals to programs that could support First Nations peoples and their families.

## Exhibit 8: Case study

### Weave Youth and Community Services' 'Creating Futures' Program

Weave Youth and Community Services' Creating Futures program, delivers culturally safe, trauma-informed and client-led throughcare and post-release support, grounded in Weave's Aboriginal Healing Framework. It provides holistic support across housing, employment, legal advocacy and cultural reconnection, beginning with pre-release engagement and continuing for at least 12 months post release. Evaluation findings show a significant reduction in reoffending, with a 12-month reoffending rate of just 4.11%, substantially lower than the 57.3% average for First Nations peoples aged between 18 and 30 in NSW. The program's success is attributed to its deep community roots, strong stakeholder partnerships and commitment to culturally responsive, strengths-based practice.

Source: AONSW analysis of publicly available information.

### **The agencies have not established structured, evidence-based approaches to balance their legislative obligations to maintain safety and security, with the delivery of rehabilitation supports**

There is an inherent tension in custodial settings between maintaining safety and security, and the delivery of rehabilitation supports to reduce reoffending. These 2 core functions operate with distinct priorities: security focuses on containment, risk management and maintaining order; while rehabilitation targets the causes of offending, behavioural change and successful reintegration. The Australian Government's Productivity Commission acknowledged this tension in 2021, highlighting that distinct security functions and mixed objectives can undermine rehabilitation efforts, particularly in facilities under pressure from high detainee numbers.

Delivering effective rehabilitation is constrained by resource limitations across both therapeutic and custodial workforces. Psychologists reported persistent vacancies, shortages, high turnover and burnout, particularly in regional and remote centres. For example, one adult facility reported operating with only 2.5 FTE psychologists for about 1,200 inmates. In such circumstances, psychologists must prioritise crisis interventions, such as suicide and self-harm prevention, leaving limited capacity for structured therapeutic support to reduce reoffending. Custodial staffing constraints also exist, with high numbers of staff unavailable due to workers compensation claims. This reduces operational flexibility and can necessitate increased lockdowns when security coverage is insufficient, further disrupting rehabilitative program delivery and casework. An upcoming performance audit: [Managing unplanned leave and overtime](#), will examine how agencies, including Corrective Services, manage unplanned staff leave and the associated risks to safety and service delivery.

Despite the inherent tensions and system constraints, the agencies' obligations to ensure safety and security, and the delivery of rehabilitation supports to reduce reoffending, remain legislative responsibilities of equal standing, neither of which can be treated as optional or subordinate. However, the agencies have not established a structured, system-wide, evidence-based framework to balance these requirements. Staff across both systems reported that rehabilitation is treated as secondary to security in operational decision-making, rather than as an equal core function of custodial practice.

---

# 7. Governance and accountability

## 7.1. Activity and expenditure

### **Both agencies have invested in strategies, programs and initiatives to provide support for First Nations peoples**

In 2023, Corrective Services established the Aboriginal Strategy Directorate (ASD), led by a First Nations Director and comprising 3 teams: the Aboriginal Strategy and Policy Unit; the Aboriginal Community Connections Unit; and the Aboriginal Advisory Unit. Prior to this, the Aboriginal Strategy and Policy Unit was in place, led by a First Nations Manager. From 2023 to early 2025, Corrective Services also employed a temporary General Manager, Closing the Gap Innovation. Similarly, Youth Justice established the Aboriginal Strategic Coordination Unit (ASCU) in 2002, overseen by a First Nations Manager. Across both agencies, First Nations units provide expert advice on the development and implementation of strategies, policies and programs impacting First Nations peoples, and advise operational business units on First Nations culture and perspectives.

Both agencies have developed strategies intended to address the over-representation of First Nations peoples in custody. Corrective Services' current *Strategic Plan: Towards 2030*, is aligned with Target 10 under Closing the Gap. Youth Justice's *Strategic Plan 2024–2030* is aligned with Target 11 and the Priority Reform Areas under Closing the Gap. Recognising the importance of representation and cultural knowledge, both agencies currently have targets to increase First Nations employment. In its current Strategic Plan, Corrective Services commits to increase First Nations employment to 8% by 2030 and includes this target as one of its core key performance indicators. Similarly, Youth Justice's *Aboriginal Employment Plan 2024–2026* (AEP), includes a target to increase the number of First Nations peoples in senior leadership positions. In December 2025, Youth Justice advised that its AEP has contributed to an increase in First Nations staff representation to 22%, including in management and executive roles.

The agencies have also invested in specific programs and initiatives to provide support for First Nations peoples. For example, Corrective Services facilitates programs such as: the Aboriginal Women Leaving Custody Legal Aid Program at Broken Hill, the Homeward Sisters Project, designed to support First Nations women experiencing challenges in accessing housing assistance upon release, and the Co-Located Caseworker Program to assist women in custody with child protection related issues. Youth Justice has started early work to increase investment in Aboriginal Community-Controlled Organisations (ACCOs) to deliver its funded diversion programs and initiatives, including Youth on Track, Family Workers, Casework Support Program, Short Term Remand Program, Safe Aboriginal Youth Program; and place-based initiatives such as the Moree Bail Accommodation Program, Cockatoo Initiative and My Path.

Youth Justice established an Aboriginal Practice Mandate in 2022 to support First Nations staff as experts in cultural practice across the agency, an Anti-Racism Action Plan in July 2025, a Co-Design Framework in June 2025, and advise it is commissioning a First Nations consultancy to develop an agency-level shared decision-making framework, an important step toward embedding self-determination in its operations.

## The agencies do not monitor or report on First Nations justice expenditure

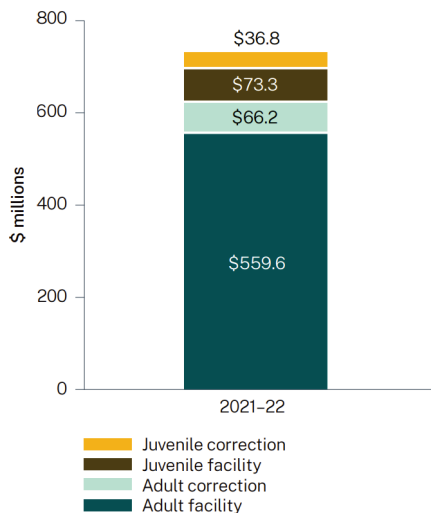
Under Closing the Gap, governments are required to:

- increase accountability by transparently reporting expenditure and service outcomes for First Nations peoples (Priority Reform Three)
- examine and classify spending on programs and services for First Nations peoples, while exploring opportunities to redirect funding towards First Nations-led organisations, particularly ACCOs (Clause 113)
- collect, handle and report data at sufficiently detailed levels of disaggregation to support informed decision-making (Priority Reform Four).

NSW Treasury publishes the *NSW Indigenous Expenditure Report* (IE Report), including information on the proportion of government spending on services and programs for First Nations peoples (reporting started in 2022). The 2023–24 IE Report provides estimates of 2021–22 statewide government expenditure attributable to First Nations peoples across a range of public services, including the justice sector. NSW Treasury does this by calculating service usage data and disaggregating expenditure on mainstream services used by First Nations and non-First Nations peoples.

The IE Report highlights that the NSW Government is estimated to have spent \$2.46 billion on prison services in 2021–22, with an estimated \$735.9 million (30%) attributable to First Nations peoples (see Exhibit 9 below). Prison services include expenditure on correctional and youth justice centres, and supervision of individuals under community corrections orders.

### Exhibit 9: NSW Government general expenditure on prison services in 2021–22, with the estimated amount attributable to First Nations peoples totalling \$735.9 million



Source: NSW Treasury Indigenous Expenditure Report 2023–24.

Whilst not disaggregated by Aboriginality, the Australian Productivity Commission’s annual *Report on Government Services* (ROGS) provides operating expenditure per person per day for individuals in custody and under community supervision. ROGS reports the 2024–25 real net operating expenditure as follows:

- \$318.66 per person per day in NSW correctional centres
- \$22.59 per person per day for community-based supervision
- \$2,573.26 per young person per day in NSW detention centres
- \$367.68 per young person per day for community-based supervision.

The figures set out in the IE Reports represent the best estimates currently available for understanding government expenditure specifically attributable to First Nations peoples in the NSW justice system, but are subject to limitations in terms of data, methodology and interpretation. The estimates do not capture a comprehensive view of justice expenditure, including throughcare supports. NSW Treasury advised us that geographically disaggregated data on targeted programs and services, as required by Priority Reform Four of Closing the Gap, has been limited due to agencies not providing this data in their returns to Treasury. Limitations for not providing this data includes, agencies not collecting this data, embedding data collection requirements into service provider contracts or an inability to disaggregate data for statewide programs.

As both agencies have ownership of agency-level data, the onus is on them to collect and disaggregate data to ensure the most accurate, comprehensive and transparent view of First Nations expenditure. However, the agencies do not monitor, disaggregate or report on expenditure attributable to First Nations peoples. They have not provided evidence to demonstrate that expenditure is proportionate to need, and aligned with strategic and policy objectives to reduce the over-representation of First Nations peoples in custody.

Without this level of financial disaggregation, agencies cannot accurately assess the effectiveness and efficiency of its investments and programs, creating a significant risk that resources are allocated inefficiently. This lack of transparency and accountability makes it difficult for decision-makers to determine whether funding is directed toward initiatives that achieve legislative and policy commitments. This diminishes the ability to make evidence-based decisions, limits opportunities for continuous improvement and erodes public trust that expenditure is being used effectively and efficiently.

## 7.2. Targets to reduce over-representation

**Despite expenditure on programs and initiatives, the agencies have not achieved previous targets and are off-track to achieve current targets to reduce the over-representation of First Nations peoples in custody**

While systemic factors influencing over-representation extend beyond the control of the agencies, both have committed to strategies aimed at reducing the disparity. Since 2019, the agencies collectively had 5 internal strategies aimed at reducing over-representation of First Nations peoples in custody. Two of these strategies have since concluded and despite investment in programs and initiatives, the agencies have not achieved their targets. Data from the NSW Bureau of Crime Statistics and Research (BOCSAR) confirms that over-representation has not decreased.

Two strategies remain current: Corrective Services' *Strategic Plan: Towards 2030*, and Youth Justice's *Strategic Plan 2024–2030*. Corrective Services advised that its earlier strategy, *A Strategy for supporting Aboriginal offenders to desist from reoffending* (2014), also remains in effect. The agencies current strategies are aligned with Targets 10 and 11 under Closing the Gap:

- Target 10: By 2031, reduce the rate of First Nations adults held in incarceration by at least 15%
- Target 11: By 2031, reduce the rate of First Nations young people (aged 10–17) in detention by at least 30%.

Progress against these targets is off-track. As of July 2025, NSW's performance against Target 10 is worsening, and there has been no change from the baseline for Target 11.

### **There has been little to no improvement to reoffending rates**

BOCSAR measures reoffending for First Nations peoples within a 12-month period. Data from BOCSAR demonstrates that reoffending rates for First Nations peoples remain significantly higher than those for non-First Nations people, with little to no improvement.

- In 2019, 61.1% of First Nations adults released from sentenced custody reoffended within 12 months. The rate remained stable at 61.5% in 2023 (latest available data). Over the same period, the reoffending rate for non-First Nations adults increased slightly from 39.8% to 42.1%.
- In 2019, 73.1% of First Nations young people released from sentenced custody reoffended within 12 months. The rate decreased slightly to 72.7% in 2023 (latest available data). Over the same period, the reoffending rate for non-First Nations young people reduced from 64.6% to 49.3%.

### **Failure to achieve a reduction in the over-representation of First Nations peoples in custody is identified as a strategic risk to both agencies**

Corrective Services' Strategic Risk Register identifies 'no impact on reoffending' as a key strategic risk. One of the contributing factors to this risk is the continued over-representation of First Nations peoples in custody. Despite multiple strategies and commitments since at least 2014, Corrective Services has not met its targets or demonstrated measurable progress in reducing over-representation of First Nations peoples in custody.

Similarly, Youth Justice's Strategic Risk Register includes 'failure to reduce the over-representation of Aboriginal young people / Target 11 / Closing the Gap' as a strategic risk. This risk was formally added to the risk register in October 2024 and assessed as both high risk and likely to occur. Youth Justice has not met successive targets since at least 2018 to reduce the over-representation of First Nations young people in custody.

Youth Justice's risk register lists controls to manage this risk, but has assessed the strength of these controls as only partially effective. Youth Justice advised that although it has controls in place, such as its Aboriginal Employment Plan, Aboriginal Practice Mandate, cultural safety frameworks and targeted programs, residual risk remains high and complete mitigation is unachievable. The agency attributes this to systemic factors beyond its control.

Both agencies note that socio-economic disadvantage, intergenerational trauma, housing instability, health inequities and education gaps contribute to the over-representation of First Nations peoples in custody. However, the agencies have not developed place-based approaches to understand, monitor and design interventions targeting these factors, or developed KPIs aligned to them. For example, whether people exiting custody are linked to relevant services. In addition, the agencies have not demonstrated that they are raising broader service system issues and gaps where services do not exist or are not effective. Both agencies must strengthen their risk management frameworks by linking strategic risks to performance measures and outcomes, and ensuring accountability for progress, to monitor and implement controls that reduce risk over time.

## **7.3. Evidence-based framework**

### **The agencies have not monitored, evaluated, formally closed-off or reported on the outcomes of its First Nations-specific strategies**

NSW Treasury's *TPG22-22 Evaluation Guidelines and First Nations Investment Framework* require evaluation of government programs, policies, strategies, services, and projects to assess appropriateness, efficiency, effectiveness and net social benefits. Priority Reform Three of Closing the Gap also requires agencies to increase accountability through transparent funding allocations, and public reporting on expenditure and service outcomes for First Nations peoples.

Since 2019, the agencies collectively had 5 strategies in place at different points in time which included actions aimed at reducing over-representation of First Nations peoples in custody. Two of these strategies have concluded. Corrective Services advised that its earlier strategy, *A Strategy for supporting Aboriginal offenders to desist from reoffending* (2014) remains in effect. The agencies also have current strategies aligned with Targets 10 and 11<sup>15</sup> of Closing the Gap: Corrective Services' *Strategic Plan: Towards 2030* and Youth Justice's *Strategic Plan 2024–2030*, but progress is off-track. As at July 2025, the Australian Productivity Commission reported that NSW's progress against Target 10 is 'worsening', and there is 'no change' (from the baseline) against Target 11. BOCSAR data also demonstrates the agencies have not achieved their targets. To date, none of the targets in these strategies have been met.

Despite repeated commitments, the agencies have not established accountability mechanisms or monitored progress against strategic targets. Earlier strategies were not systematically evaluated or formally closed-off before new ones were introduced, and there has been no public reporting of outcomes or evidence of tangible improvements attributable to these strategies. This lack of strategic continuity undermines transparency and accountability, weakens organisational learning and increases the risk of duplicating effort without understanding effectiveness. In addition, the agencies do not maintain records on the costs to develop and implement strategies, delivery timeframes or assessments of cost-effectiveness.

The absence of financial oversight and a robust performance framework, including outcomes monitoring, cost analysis and public reporting, limits transparency and accountability. It also impairs the ability of agencies to demonstrate whether investments and strategies are contributing to reducing over-representation of First Nations peoples in custody, whether resources are being used efficiently and effectively or whether adjustments are required.

**The agencies do not have an evidence-based framework aligned with Closing the Gap to reduce the over-representation of First Nations peoples in custody**

Priority Reform Three under Closing the Gap requires systemic and structural transformation of government organisations, informed by First Nations stakeholders. However, the agencies have not established overarching evidence-based frameworks aligned to this requirement.

Although both have strategies, current initiatives led by the agencies do not clearly demonstrate how they will deliver the scale of systemic and structural transformation required to achieve the targets under Closing the Gap. For example, while strategies include a focus on increasing the number of First Nations staff to achieve the targets, Closing the Gap emphasises that genuine transformation requires embedding First Nations leadership and approaches at every level of the system, not only increasing representation.

Without a clear evidence-based framework, the agencies cannot demonstrate that their efforts fulfil the systemic and structural change required under Closing the Gap to achieve their targets.

## 7.4. Governance and accountability arrangements

**The agencies have not established governance mechanisms to support the achievement of targets to reduce the over-representation of First Nations peoples in custody**

Current governance arrangements for meeting each agency's Closing the Gap requirements rely primarily on their participation in the Aboriginal Justice Partnership Committee (AJPC). The AJPC includes representatives from the Department of Communities and Justice's (DCJ) Transforming Aboriginal Outcomes (TAO) Unit and the Aboriginal Legal Service. Prior to machinery of government changes in October 2024, Corrective Services was also a division of DCJ, similar to Youth Justice. TAO is responsible for the implementation of DCJ projects to achieve Closing the Gap targets, but it does not have decision-making authority over policy, program commissioning or operational matters.

---

<sup>15</sup> Target 10: By 2031, reduce the rate of First Nations adults held in incarceration by at least 15% and Target 11: By 2031, reduce the rate of First Nations young people (aged 10–17) in detention by at least 30%, *National Agreement on Closing the Gap 2020*.

Corrective Services participates in a range of AJPC sub-working groups covering key areas of justice reform, such as prevention, diversion, justice reinvestment, custody, throughcare and parole. Youth Justice co-chairs the Target 11 Working Group with the Aboriginal Legal Service. These forums support collaboration and information-sharing between government agencies and First Nations stakeholders.

Corrective Services advised it is a key stakeholder across these working groups and that the AJPC and TAO Unit are primarily responsible for developing and endorsing working group outputs. While the AJPC provides a forum for collaboration, it does not hold operational responsibility for delivering the Closing the Gap Priority Reform Areas or targets. Corrective Services and Youth Justice hold significant operational levers that directly influence the over-representation of First Nations peoples in custody and their strategic plans (both current and previous) explicitly acknowledge this responsibility. Their roles are not peripheral, but central to achieving progress under Closing the Gap.

Within each agency, governance arrangements to support the achievement of targets to reduce the over-representation of First Nations peoples in custody are decentralised and lack a clearly defined process for assigning responsibility. There is no documented rationale identifying who is ultimately accountable for achieving relevant targets. This fragmented structure results in a lack of organisational accountability, where responsibility for outcomes is spread across multiple units without clear ownership or central oversight.

The agencies do not have established formal mechanisms that assign specific actions to staff or teams and there are no performance indicators linked to individual or unit-level responsibilities. As a result, strategic initiatives often lack traction and progress is difficult to monitor or evaluate. This absence of accountability undermines the capacity of each agency to drive implementation, respond to underperformance or ensure that their commitments translate into effective outcomes. The lack of a structured governance framework also limits transparency over how decisions are made, how priorities are set and how resources are allocated. This not only weakens internal coordination but also erodes external confidence in the ability of each agency to deliver on their commitments to reduce the over-representation of First Nations peoples in custody.

Youth Justice advised that it is developing an outcomes framework led by a cross-directorate working group and informed by consultations with Youth Justice staff, young people and ACCOs. It also advised that work is underway to support implementation of its current Strategic Plan at directorate, business unit and individual levels.

### **The agencies have not established accountability arrangements that define how individual roles and business units contribute to achieving organisational targets**

Clearly defined roles and responsibilities are fundamental to effective governance and accountability. Despite longstanding targets to reduce the over-representation of First Nations peoples in custody under Closing the Gap and its own internal strategies, the agencies have not clearly defined how individual roles and business units contribute to achieving intended outcomes. This does not mean that individual roles are responsible for achieving the overarching targets. Rather, governance arrangements should specify how relevant roles and business units within each agency contribute to progress against the targets through specific functions, decision-making responsibilities and operational activities.

Corrective Services do not include any performance metrics related to First Nations outcomes in its staff performance and accountability frameworks. Staff across correctional centres make decisions that directly impact rehabilitation and reintegration, yet several were not aware of the agency's obligations under Closing the Gap. None of the staff interviewed understood how these obligations related to their roles.

Youth Justice includes general performance metrics related to First Nations outcomes in its staff performance and accountability frameworks. However, they have not operationalised the metrics in relation to specific roles and business units across the agency. Staff consistently reported that they were unaware of how these metrics applied to their responsibilities or how their work contributed to targets aligned with Closing the Gap. Instead, staff perceived the target as a policy aspiration rather than a directive guiding daily operations. Youth Justice reported that its next steps are to start implementation planning with a centralised structure and more clearly defined roles.

The lack of clarity over responsibility and accountability within the agencies makes it difficult to align operational activities with strategic targets under Closing the Gap. The absence of guidance, performance indicators, and operational frameworks linking roles and business units to targets results in fragmented approaches and weak performance measurement across both agencies.

## 7.5. Key performance measures

### **Neither agency has established outcomes-focused key performance measures to achieve its targets**

Since at least 2014, Corrective Services has committed to targets aimed at reducing over-representation of First Nations peoples in custody. Youth Justice has committed to similar targets since at least 2018. The agencies' current strategic targets include:

- Corrective Services:
  - reduce incarceration rates for First Nations peoples by 15% by 2031
  - reduce reoffending among First Nations peoples by 10% by 2030.
- Youth Justice:
  - reduce incarceration rates for First Nations young people (aged 10–17) by at least 30% by 2031.

Whilst Corrective Services has established key performance indicators (KPIs), they are predominantly activity-based and compliance-driven rather than outcomes-focused. For example, Corrective Services monitors a KPI to reduce reoffending amongst First Nations peoples. To achieve this target, there are 3 supporting indicators:

- 98% of eligible offenders have a current case plan
- equity of First Nations peoples to programs, services and education
- 70% successful completion among higher risk parolees, and 75% successful completion among higher risk offenders on intensive correction orders.

Measuring whether 98% of eligible offenders have a current case plan demonstrates administrative compliance but does not indicate whether the plans have led to improved outcomes upon release from custody. Similarly, tracking equity in access to programs, services and education demonstrates that opportunities are offered, but not whether participation in such opportunities is effective in reducing reoffending. Completion rates for intensive correction orders demonstrates compliance with conditions.

Youth Justice monitors one high-level metric aligned with Target 11 under Closing the Gap - the average daily proportion of First Nations young people in custody. While indicators such as this provide insight into the scale of the issue, they measure the extent of the problem, which on its own is not an indication of how effective the agency is in responding to it.

### **The agencies have not established KPIs for key protective factors known to reduce reoffending among First Nations peoples**

Since at least 2014, Corrective Services has recognised that education and employment are protective factors that reduce reoffending among First Nations peoples. Staff have also consistently identified access to stable housing as a critical support. Youth Justice staff similarly acknowledged these protective factors for First Nations young people.

Corrective Services' Work and Education Business Unit has targets to increase First Nations participation in employment and traineeships whilst in custody. However, the agencies have not developed a comprehensive set of KPIs to monitor the key post-release protective factors known to reduce reoffending. While many key protective factors, such as stable housing and employment opportunities, fall outside the direct control of the agencies, both have a critical responsibility to connect people with these services upon release. This includes actively facilitating referrals, supporting engagement with culturally appropriate providers and monitoring successful links to these supports.

Establishing mechanisms to track referrals, service uptake and post-release outcomes would enable both agencies to identify systemic gaps, escalate barriers to service delivery, assess the effectiveness of casework and reintegration, and continuously improve service coordination and resource allocation, particularly where external systems fail to meet the needs of First Nations peoples. Monitoring post-release outcomes is critical to determine the long-term impact and effectiveness of interventions to support reintegration and to identify barriers that perpetuate cycles of reoffending. A structured approach to data collection and reporting would strengthen accountability, drive continuous improvement and support agency advocacy for broader reforms across government.

**The agencies have not developed place-based performance measures, creating a risk that uniform approaches will not respond to distinct operational challenges, community-specific cultural and engagement needs, and varying levels of regional service availability**

Corrective Services operates 34 Correctional Centres and 67 Community Corrections Offices, and Youth Justice operates 6 Youth Justice Centres and 34 Youth Justice Community Offices across NSW. Throughout the audit, stakeholders consistently emphasised that each centre and region have unique circumstances, including distinct operational challenges, community-specific cultural and engagement needs, and varying levels of regional and local service availability, capacity, and maturity (for example, quality, reliability and value). Despite this, the agencies have not implemented place-based key performance measures to monitor and evaluate outcomes for First Nations peoples.

Given the geographic diversity of First Nations communities and the local contexts that influence justice outcomes, the absence of place-based measures means agencies cannot determine whether interventions are effective in specific locations, identify regional disparities, or tailor responses to the unique needs of communities. Such measures would help agencies understand how systemic issues, such as access to housing, health services, education, and employment manifest across urban, regional and remote areas, and enable tracking of service engagement, referral pathways and post-release outcomes at the local level.

Place-based performance measures and related data would identify where partnerships with other agencies are working, where gaps exist and where targeted investment or reform is required. It would also strengthen the ability of agencies to negotiate and collaborate with external service providers and government departments. By evidencing where service delivery and outcomes are falling short or improving, agencies can advocate for more effective resources, policy and integrated service models that respond to local needs.

Given regional service systems vary in maturity (for example, family supports, health and healing, housing, education, employment), applying uniform key performance measures across all locations risks unintended or inequitable impacts on agency staff. For example, requiring staff to achieve specific rehabilitation outcomes where the necessary services or programs are not yet available can create an unfair burden. In contrast, a locally defined measure that tasks staff with building local partnerships and collaborative frameworks would lay the foundation for culturally appropriate rehabilitation pathways. Agency staff and First Nations stakeholders we spoke with strongly supported developing place-based performance measures tailored to local contexts to enable more targeted, responsive and effective service delivery. This approach would better reflect the realities of each site, support culturally safe practices and promote accountability for outcomes relevant to local communities.

Relevant to this finding, and included in the [Audit Work Program 2025–2028](#), the Audit Office of NSW will be undertaking a place-based performance audit to assess the efficiency and effectiveness of government services in high needs First Nations communities. The audit will select one or more locations to examine the effectiveness and efficiency of human services agencies in coordinating, allocating and delivering services to First Nations peoples and communities. This may include how agencies understand the location, methods of partnering with the community, how government and its funded agencies collaborate to support clients, self-determination and devolution of decision-making, and the authorising environment (including the authorisation of local leaders).

## 7.6. Partnerships to inform governance and decision making

### **Corrective Services has not established formal partnerships or escalation procedures with external agencies whose services support reduced reoffending and Youth Justice’s existing arrangements are insufficient**

Corrective Services does not have formal partnerships or structured agreements with external agencies’ services known to contribute to reducing reoffending, such as Homes NSW, NSW Health and TAFE. The absence of formal arrangements limits the agency’s ability to coordinate efforts, identify and escalate service gaps, share accountability and ensure consistent service delivery across the justice continuum.

Youth Justice has formal Memoranda of Understanding (MoU) with key agencies including the Department of Education (2015), Justice Health and Forensic Mental Health Network (2016) and the former Department of Community Services (2014). These agreements are intended to support coordinated service delivery for joint clients and provide a pathway for escalating issues. Despite the MoU having been active for between 9 and 12 years, Youth Justice cannot demonstrate the mechanisms that support their practical operation, such as monitoring and evaluation, effectiveness or the escalation of service system issues that limit access to supports known to reduce reoffending. Youth Justice report that these MoU are currently under review.

### **The agencies have not established formal mechanisms to seek feedback from First Nations stakeholders to inform decision-making and support systemic and structural transformation**

The agencies have not established formal consultation mechanisms with the 2 peak First Nations representative bodies in NSW, the Coalition of Aboriginal Peak Organisations (CAPO) and the NSW Coalition of Aboriginal Regional Alliances (NCARA). While both agencies may meet with member organisations, such as the Aboriginal Legal Service (ALS), this engagement lacks the depth required to drive system-wide transformation.

At the operational level, Corrective Services has not embedded formal feedback mechanisms with regional or local First Nations governance groups, ACCOs or community leaders. They also do not routinely seek input from First Nations Inmate Delegates or individuals on community corrections orders or parole. Stakeholder engagement is not measured, monitored or reported, and feedback from inmate and family complaints is not systematically tracked or analysed to inform service transformation and improvements.

Youth Justice similarly lacks mechanisms to collect and act on feedback from First Nations young people, their families and communities. Although some Youth Justice Centres demonstrate good practice in engaging with First Nations stakeholders and incorporating the voices of young people, these efforts are not embedded in policy or procedure and rely heavily on individual staff initiative. As with Corrective Services, this practice is not consistently monitored or evaluated.

Youth Justice advised it is partnering with key First Nations peak bodies, including the Illawarra Regional Aboriginal Alliance Corporation, North Coast Aboriginal Development Alliance, Western Sydney Aboriginal Regional Alliance, Murdi Paaki Regional Assembly, Riverina Murray Regional Alliance. However, Youth Justice has not provided evidence to demonstrate the existence of these partnerships or evidence of consistent engagement with these key stakeholders.

The agencies have not demonstrated how internal or external feedback is used to drive systemic and structural transformation. Without formal engagement strategies, structured feedback mechanisms and transparent processes for incorporating input into decision-making, both agencies risk missing critical opportunities to co-design culturally safe and effective systems and supports with First Nations stakeholders.

## 7.7. Addressing public inquiry recommendations

### **The agencies cannot demonstrate that their actions in response to public inquiry recommendations met the intent of recommendations or achieved intended outcomes**

Corrective Services has systems in place to track and respond to recommendations. The relevant Deputy Commissioner or Assistant Commissioner is responsible for monitoring the implementation of recommendations. Two units within Corrective Services, the Parliamentary and Executive Services Unit and the Coronial Investigations and External Oversight Unit, are responsible for tracking the implementation of recommendations.

However, Corrective Services could not demonstrate that the actions taken to address recommendations were in line with the intent of the recommendation or that they have achieved their intended objectives. Corrective Services does not apply a consistent approach to reviewing, closing off or acquitting recommendations and does not publicly report on implementation.

Similarly, Youth Justice has formal registers to track and address recommendations but cannot demonstrate that recommendations have been effectively implemented or that actions taken met their intended purpose. Youth Justice does not publicly report on implementation.

A previous performance audit, [Addressing public inquiry recommendations – Emergency response agencies](#) (2021) found similar themes. Recommendations of the report emphasised the need for agencies to apply a consistent, evidence-based and transparently governed approach to tracking, acquitting and publicly reporting on the implementation of public inquiry recommendations, ensuring that actions taken genuinely meet the intent of each recommendation and achieve their intended outcomes.

## 7.8. Quality assurance

### **The agencies have limited quality assurance processes to ensure continuous improvement of their systems and services for First Nations peoples**

Corrective Services' programs, supports and systems are not consistently reviewed for continuous improvement. Corrective Services has a Quality Assurance Directorate which undertakes thematic reviews. None of the reviews are First Nations-specific but will consider outcomes related to First Nations peoples where relevant. The Executive Leadership Team consider the directorate's thematic reviews, but there are no formal mechanisms or processes to incorporate the findings and recommendations into the design and delivery of Corrective Services' services and supports. Therefore, Corrective Services cannot be assured its efforts to reduce the over-representation of First Nations peoples in custody and community are effective.

Youth Justice advises that it has a Quality Assurance Framework designed to embed cultural safety and accountability, and contribute to Closing the Gap targets. However, the framework is not documented. While Youth Justice describes processes such as incorporating culturally relevant indicators, consulting with First Nations staff, and using feedback from young people, the absence of a documented framework limits transparency and assurance over its consistent application.

Youth Justice advised that its approach to quality assurance is underpinned by Section 7(3) of the *Children (Detention Centres) Act 1987* (the Act), which requires the inspection of all youth detention centres every 12 months. Youth Justice's Risk and Compliance team complete these inspections and provide a report on the following:

- physical, psychological and emotional well-being of young people
- education, social and cultural development of young people
- general control and management of Youth Justice Centres
- moral conduct and functions of persons employed in Youth Justice Centres
- condition of Youth Justice Centres (including grounds, buildings, furniture, equipment and amenities)
- security of the Youth Justice Centres.

Youth Justice has not provided evidence to demonstrate that the reviews conducted contribute to or are aligned with efforts to reduce the over-representation of First Nations young people in custody, in line with Target 11 of Closing the Gap. Out of 20 Quality Assurance Reviews provided by Youth Justice spanning 2019 to 2024, the majority report a rating of few or no high priority issues for management to address. This conflicts with policy and strategic objectives and previous reports and inquiries, which indicate high priority issues that must be addressed to reduce the over-representation of First Nations peoples. There is a need to develop, monitor and report on key performance measures relevant to First Nations peoples to provide a more accurate view of progress towards intended outcomes.

---

## 8. Programs and supports

### 8.1. Classification and assessment

All individuals entering adult and youth custody in NSW are assigned an initial security classification based on a range of factors, including seriousness of their offence, sentence length and any previous criminal or custodial history. Once sentenced, individuals are re-classified. Corrective Services are required to review classifications at least annually and Youth Justice review classifications at various intervals depending on the young person's legal status and period of incarceration.

A security classification is the principal factor used to determine which correctional or youth justice centre a person is placed in. It dictates the necessary physical barriers, surveillance and level of supervision to ensure the safety and security of correctional and youth justice centres. Classification also influences access to rehabilitation programs, education, vocational training, employment and work release.

#### Adults

##### First Nations adults experience disproportionate barriers accessing some programs and supports due to overclassification

Some programs and supports, including an intensive alcohol and other drug program, and opportunities for work release are primarily available to individuals in minimum-security centres. Overclassification of individuals therefore restricts access to these supports. For example, Corrective Services staff reported low participation rates of First Nations peoples in employment leave programs, with data indicating that of the 637 people recorded as participating in work release between 2022<sup>16</sup> and 2024, 69 were First Nations (11%).

During this audit, Corrective Services staff advised us that First Nations peoples are often overclassified and experience disproportionate barriers progressing to lower security levels, which limits their access to some programs and supports. Corrective Services data indicates that of the 13,878 people who progressed to lower security levels between 2019 and 2024, 27% were First Nations. Over the same period, First Nations peoples made up approximately 33% of people who were classified as minimum security upon their discharge from custody.

Charges for offences committed in custody are a contributing factor to overclassification. Staff advised that First Nations peoples are more frequently charged for minor behavioural issues while in custody. In December 2024, Corrective Services analysed progression through security classifications for First Nations and non-First Nations inmates. This analysis included the rate of in-custody offences, per quarter over 2023–24, calculated as the number of incidents per 100 inmates using the average daily population. Exhibit 10 presents the data as an average for 2023–24, disaggregated by Aboriginality and gender:

##### Exhibit 10: Average rate of individuals charged with offences in custody during 2023–24 by First Nations and non-First Nations and gender

Average rate of individuals charged with offences in custody during 2023–24			
First Nations women	101	Non-First Nations women	51
First Nations men	72	Non-First Nations men	29

Note: Offences in custody rates calculated as the number of incidents per 100 inmates (using the average daily population) over 2023–24.  
Source: AONSW analysis of evidence provided by Corrective Services.

---

<sup>16</sup> Corrective Services advised that work release records for the period prior to November 2022 are considered unreliable.

Despite the significant over-representation of First Nations peoples in its system, the Corrective Services Aboriginal Classification and Placement Team (ACPT) is comprised of only 3 staff, whereas the general Classification and Placement Group (CPG) consists of 19 staff. The ACPT makes initial classification decisions for First Nations people at reception into custody and at the time of sentencing, and provides advice on subsequent classification decisions. It does not assign classifications for all First Nations people.

ACPT officers hold delegated authority under the *Crimes (Administration of Sentences) Act 1999* to independently make classification and placement decisions, consistent with Managers and Deputy Managers within the CPG. However, Corrective Services operational staff advised that ACPT decisions are often overturned, resulting in higher classifications for First Nations peoples. The agency advised that classification and/or placement decisions made by ACPT and CPG officers are subject to review, and may change in circumstances where new or additional information becomes available. It advised that this reflects established review processes and the exercise of delegated authority based on the information at the time of decision-making. The agency does not collect data on overturned ACPT decisions.

### **First Nations adults are often placed in correctional centres based on availability rather than proximity to family and Country**

Clause 20 of the *Crimes (Administration of Sentences) Regulation 2014* requires that inmate placement decisions consider the proximity of the correctional centre to the inmate's family. Recommendation 168 of the *Royal Commission into Aboriginal Deaths in Custody* similarly states that First Nations inmates should be located as close as possible to their families and have the right to appeal decisions that place them further away.

The Inspector of Custodial Services' *Inspection Standards for Aboriginal People in Custody* also emphasise connection to Country, culturally appropriate care and community-based rehabilitation. These principles align with international human rights instruments, including the *United Nations Declaration on the Rights of Indigenous Peoples* (UNDRIP), which affirms Indigenous peoples' rights to maintain cultural institutions, and sustain connections to land, family and community.

Corrective Services reports that the ACPT aims to place First Nations inmates in correctional centres as close as possible to their family and support networks, but that placements occur based on the availability of suitable beds at the relevant security levels. In practice, this results in First Nations peoples being placed in centres based on administrative availability rather than cultural or familial connection. This practice limits access to Country, kinship and cultural supports, which are protective factors known to reduce reoffending and support rehabilitation. Corrective Services advised it does not record data on First Nations inmates placed off-Country.

### **First Nations adults are often placed in correctional centres which do not match their security classification, impeding access to rehabilitative opportunities**

Corrective Services confirmed that a large proportion of First Nations peoples are held in centres that do not match their classification level, exposing them to heightened criminogenic environments, which can increase the risk of reoffending and impeding access to programs and education. Corrective Services have been aware of this issue since at least 2015 when the Inspector of Custodial Services reported similar findings. Corrective Services data indicates that between 2019 to 2024, 41% of First Nations peoples in custody were held in security environments that exceeded their individual security classifications.

In some cases, individuals have exceeded their earliest possible release date due to mandatory pre-release programs being inaccessible. Corrective Services data indicates that between 2019 and 2024, 125 First Nations peoples exceeded their earliest possible release date. However, Corrective Services does not disaggregate this data by reason for non-completion, for example due to unavailability/inaccessibility of programs or other reasons. This issue was examined in our 2017 performance audit report [Therapeutic programs in prisons](#). Although not First Nations focused (due to unavailability of sufficiently disaggregated data), the report found 75% of inmates who needed a prison-based program did not receive one before the earliest date they could be released.

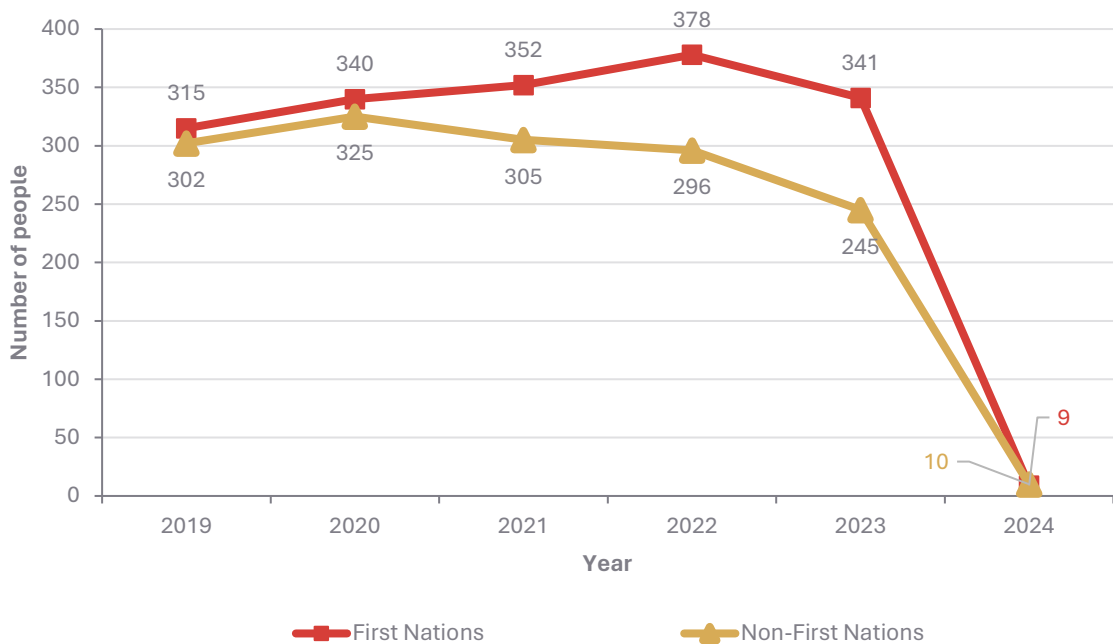
**Corrective Services used an incorrect interpretation of escape risk when classifying inmates, which resulted in First Nations peoples being disproportionately assigned higher security levels**

‘Escape from custody’ is a charge that refers specifically to escaping from, or attempting to escape from, police custody at the time of arrest. Corrective Services includes this charge in its security classification process. However, it had previously applied an overly expansive interpretation, treating it as an escape or attempted escape from a corrective services facility. As an escape from a correctional facility results in a higher security classification, this misinterpretation had consequences for affected individuals.

Corrective Services advised that young First Nations men were particularly affected by this interpretation, which had been in place since the 1980s. In 2023, Corrective Services identified the error, and conducted an internal review in the first half of 2024 which resulted in changes to 320 individual security classifications, 250 (78%) of which were First Nations peoples. Corrective Services also implemented a new escape-risk classification policy.

Exhibit 11 below highlights the significant number of people who were misclassified and the reduction in escape-risk classifications between 2023 and 2024, following the review completed by Corrective Services. This misclassification disproportionately prevented First Nations peoples from progressing through the classification system. Corrective Services’ Strategic Risk Register identifies ‘incorrect inmate classification and placement’ as a potential cause of the risk of unnatural and avoidable deaths in custody.

**Exhibit 11: Number of First Nations and non-First Nations peoples in custody with escape-risk classifications (E1 maximum and E2 medium), by year**



Source: AONSW analysis of data provided by Corrective Services.

## Corrective Services has not assessed the cultural appropriateness of its assessment tools for First Nations peoples in custody or under community supervision

Corrective Services uses the following risk assessment and case management tools:

- **Planning for Adjustment, Responsivity, Reintegration, Criminogenic or Offence Related Factors, and Cultural Diversity (PARRCC) tool:** Corrective Services developed the PARRCC tool in 2019 as a case management tool to support structured interviews with inmates, identify individual needs and determine intervention levels.  
The responsivity and communication domains have shown poor internal consistency and weak correlations with other domains, including culturally specific needs, communication styles and the social contexts of First Nations peoples in custody. This may result in lower service-priority ratings that underestimate the needs of First Nations inmates.
- **Level of Service Inventory – Revised (LSI-R):** Corrective Services introduced the LSI-R in 2002 as its primary actuarial risk assessment for evaluating the risk of reoffending and identifying offence-related needs of people in custody. The tool, procured from Canada, continues to be used in community correction settings. However, research published in 2011 found that its accuracy varied across groups, being most accurate for non-First Nations men and least accurate for First Nations women. Following these findings, Corrective Services advised that it instructs staff to use LSI-R results for First Nations peoples, particularly women, with caution, and notes that internal training emphasises culturally informed assessment practices when applying the tool.
- **Custody Triage Risk Assessment Scale (Custody TRAS) tool:** The Custody TRAS tool was developed by Corrective Services in 2019 to replace the LSI-R in custody settings and is used to assess the risk of general reoffending. The Custody TRAS has been in operation since 2020.

The tools used by Corrective Services were not designed by, or in partnership with, First Nations stakeholders. Research conducted by the University of Sydney in 2021 found that the tools are often ‘prohibitive or ill-fitted’ for First Nations peoples. For example, the risk assessment tools used to determine likelihood of reoffending were developed using data from non-First Nations offender populations. As a result, they rely on non-First Nations conceptions of offence-related needs and risk, which have been identified as potentially inappropriate for First Nations peoples.

While factors such as alcohol and drug use, prior offending and unemployment are common among high-risk offenders, First Nations offenders may also experience additional offence-related risks. These include intergenerational trauma arising from child removals, systemic bias and racism, and the impacts of historical government policies that have damaged connections to Country and culture.

An assessment tool used by Corrective Services to identify a person’s risk rating, via an algorithm that determines their program pathway, has in some cases, impeded the rehabilitation and reintegration progress of First Nations peoples. This highlights the need for a more person-centred approach to assessing individual needs, rather than reliance on algorithm-based assessments. See Exhibit 12 below.

## Exhibit 12: Case study of the use of risk assessment tools

### Corrective Services use of a risk assessment tool to determine a First Nations man's risk of reoffending and program pathway

During 2025, a First Nations man detained in a Correctional Centre was participating in a hybrid reintegration program involving study and employment in the community. The man was enjoying the course, progressing well and the Centre was satisfied with his behaviour.

Upon reviewing his pathway in preparation for parole, a team within the agency made the decision that the man's risk of reoffending was underestimated in his initial assessment. This assessment was made 2 years prior by a tool which identifies a person's risk rating via an algorithm that determines their program pathway.

The team decided that the man's participation in the offence-focused program (a violent offender program) should take priority over the reintegration program. Participation in the violent offender program meant that the man would need to be transferred to another Centre to participate. If this were to occur, the man would be taken off Country, away from his family (after progressing to weekend home visits) and removed from the reintegration program.

A different team of internal staff members who had witnessed the man's progress were alarmed with this decision, disagreed and appealed the decision stating that the Centre were satisfied with the detainee's behaviour, that he was doing well in the reintegration program and that it appeared to be changing his life. The team argued that the decision should be based on a person-centred approach, by listening to the individual and understanding their needs, rather than basing the decision on a risk assessment tool. As a result, the man was able to remain at the same Centre and continue the reintegration program. However, this required staff initiative to intervene and engage in multiple meetings and consultations with stakeholders to overturn the assessment.

Source: Information received during conduct of this audit.

## Young people

### Youth Justice's intake and assessment tool is disproportionately impacting First Nations young people

Youth Justice uses the YLS/CMI-AA intake and assessment tool to identify a young person's needs and risk of reoffending. However, the tool was not designed in consultation with First Nations stakeholders and has been found to disproportionately assess First Nations young people as high risk compared to non-First Nations young people.

During the audit, Youth Justice staff advised that they are regularly using informal workarounds to better account for the circumstances of First Nations young people. However, these practices are ad hoc and depend on individual staff initiative. Youth Justice staff advised us that First Nations young people receive higher risk ratings, not due to a higher propensity for crime, but rather due to increased exposure to social inequality (for example, access to education and employment opportunities).

Youth Justice staff also advised that the risk rating can increase based on family relationships, but the tool does not account for First Nations extended kinship structures. For example, a First Nations young person who lacks a positive relationship with their biological mother but has a strong connection with an aunty or other kin will receive a higher risk score, as the tool only recognises the notion of the immediate family unit.

A high-risk assessment has practical implications, including:

- more intensive case management and more frequent supervision requirements, increasing the likelihood of breaches
- reduced access to programs, including some pre-release reintegration programs
- the risk score and assessment being included in background reports provided to the Court.

Consistent with the advice from Youth Justice staff, a 2022 Western Australian study, *Validation of the YLS/CMI on an Australian Juvenile Offending Population*, found that First Nations young people received higher YLS/CMI total scores than non-First Nations young people and that this may reflect ‘additional complex risk factors associated with the Indigenous minority population’. The study notes the lack of research on the utility of the tool with First Nations young people and that it is imperative to determine whether the tool has the capacity to appropriately identify the unique risk and need factors of First Nations young people.

In its response to the audit, Youth Justice acknowledged that the tool is not culturally appropriate but noted that redeveloping or replacing would require considerable resources. The agency advised that it is instead developing an assessment guide and culturally responsive interview protocol to sit alongside the tool and increase its relevance for First Nations young people. This work is being led by a senior First Nations staff member with input from First Nations staff across the state and will include guidance on assessing culture as a strength.

## 8.2. Effectiveness and efficiency of programs and supports

### Adults

Corrective Services delivers a range of offence-focused programs in both custodial and community settings that are designed to address the underlying causes of offending and reduce the risk of reoffending among individuals. These programs aim to address key risk factors, such as substance abuse, violence, poor decision-making and anti-social attitudes, and to support behavioural change, promote accountability and facilitate successful reintegration into society.

Corrective Services also delivers cultural programs aimed at supporting First Nations peoples in custody by strengthening cultural identity, promoting healing and reducing reoffending. Corrective Services provides opportunities for participants to reconnect with their heritage through storytelling, art, ceremony and cultural education.

#### **Corrective Services delivers 3 First Nations cultural programs across 4 correctional centres**

Corrective Services delivers 3 First Nations cultural programs across 4 correctional centres in NSW as part of its broader rehabilitation efforts. While these programs aim to support cultural identity and connection, none have been co-designed with peak or local First Nations organisations or communities. Corrective Services provides \$150,000 in annual funding for these programs, with an external organisation contributing an additional \$140,000 each year.

Under Clause 20 of the *Crimes (Administration of Sentences) Regulation 2014*, inmate placement decisions must consider proximity to family. However, most First Nations peoples in custody are placed in centres located outside their Country. While cultural programs are a vital component of rehabilitation for First Nations peoples, their effectiveness relies on meaningful cultural relevance for diverse First Nations communities, consistent delivery, and integration with broader offence-focused and reintegration supports.

#### **Corrective Services’ offence-focused programs were not designed by, or in partnership with, First Nations peoples and the agency cannot demonstrate that programs are achieving their intended outcomes for First Nations peoples**

Corrective Services delivers 30 accredited and/or approved programs for offenders, which are intended to address specific offending behaviours and the risk factors associated with reoffending. The agency advised that the content of its offence-focused programs is not designed specifically for First Nations offenders; instead it provides a generic suite of programs aimed at addressing offence-related factors across the entire offender population. The agency has not co-designed its offence-focused programs with First Nations leaders, organisations, criminology experts or community stakeholders to understand and respond to the unique circumstances of First Nations peoples.

A 2025 Corrective Services research brief, *Profiles of criminogenic need among Aboriginal and non-Aboriginal men and women in prison*, analysed over 38,000 risk assessments and found that First Nations peoples in custody experience distinct patterns of offence-related needs compared to non-First Nations offenders. Despite this, the report acknowledged that most program design lacks cultural tailoring, particularly for First Nations participants. The brief concluded that there is a pressing need to develop interventions that reflect First Nations cultural backgrounds and gender-specific experiences to improve outcomes.

Between 2019 and 2024, an average 71% of First Nations peoples completed the 5 primary offence-focused programs, which are mandatory to enable eligibility for early release. However, Corrective Services has not established systems to monitor whether these programs are achieving intended outcomes for First Nations peoples across correctional centres or community corrections offices. Corrective Services staff advised that offence-focused programs have limited efficacy, particularly where essential supports, such as housing and employment are not in place.

The NSW Treasury *TPG22–22 Evaluation Guidelines* and supplementary *First Nations Investment Framework* set out mandatory requirements for evaluating NSW Government programs, policies, strategies, services and projects to assess their appropriateness, efficiency, effectiveness and net social benefits. Corrective Services has not taken sufficient steps to ensure its offence-focused programs are effective for First Nations peoples, nor has it developed an evidence base grounded in best practice interventions for First Nations peoples.

Corrective Services does not maintain a detailed breakdown of program costs for First Nations peoples across custody, remand or community supervision settings. As a result, it is not possible to link expenditure with related outcomes. This lack of financial transparency limits the ability to understand whether investments are proportionate to impact. Without systematic recording, monitoring or evaluation of program effectiveness or expenditure, Corrective Services does not have the evidence base needed to support informed decision-making or continuous improvement.

## Young people

### Youth Justice's First Nations-specific offence-focused programs have been co-designed with First Nations stakeholders

Youth Justice delivers 3 ongoing First Nations specific offence-focused programs in both custodial and community settings (see Exhibit 13). The programs are intended to change negative patterns of behaviour and reduce reoffending rates. All 3 are based on the principles of Cognitive Behavioural Therapy (CBT), which Youth Justice advised was standard practice at the time of program development, but that it is now reconsidering this approach to ensure cultural responsiveness for First Nations, and other young people.

All 3 programs have been co-designed with First Nations stakeholders, including input from First Nations staff and internal advisory committees, external organisations, Elders and community stakeholders. Whilst this is positive, Youth Justice has not demonstrated a structured or consistent framework for co-design, or the systematic collection and use of feedback to inform program design and evaluation. Youth Justice has since finalised a Co-Design Framework in June 2025 and is in the process of commissioning a First Nations consultancy organisation to develop an agency-level shared decision-making framework.

### Exhibit 13: First Nations offence-focused programs delivered by Youth Justice in custodial and community settings

First Nations specific programs	Development of the program
<b>My Journey My Life (MJML)</b>	MJML is adapted from a previous program developed by the former Department of Juvenile Justice in partnership with Gilgai Aboriginal Corporation in 2000. It was originally focused on intergenerational and elder-directed violence, but then updated in 2012 and again in 2014, when feedback suggested broadening its scope to family, relationship and community violence. Youth Justice reports that First Nations staff, Elders and community stakeholders contributed to these reviews.
<b>Yinnar</b>	Yinnar is an adaptation of MJML specifically designed for First Nations young women to address anti-social, violent and aggressive behaviour. Youth Justice advised that Yinnar was co-designed and developed in consultation with First Nations staff, Elders and young women at Reiby Youth Justice Centre.
<b>Dthina Yuwali (DY)</b>	DY is an alcohol and other drugs program for First Nations young people, focusing on the links between substance use and offending. It is delivered in group settings by First Nations and non-First Nations staff with input from Elders and community members. DY was initially developed by First Nations staff in the former NSW Departments of Attorney-General and Justice, and Juvenile Justice. The program was reviewed in 2013 to address delivery and completion issues, and again in 2023 by the Youth Justice Aboriginal Strategic Coordination Unit (ASCU) in collaboration with the Youth Justice Aboriginal State Advisory Committee (ASAC) and First Nations community stakeholders.

Source: AONSW analysis of evidence provided by Youth Justice.

### Youth Justice does not consistently monitor and evaluate its supports or offence-focused programs for First Nations young people and cannot demonstrate they are achieving their intended outcomes

The NSW Treasury *TPG22–22 Evaluation Guidelines* and supplementary *First Nations Investment Framework* require mandatory evaluation of NSW Government programs, policies, strategies, services, and projects to assess their appropriateness, efficiency, effectiveness and net social benefits.

Youth Justice has evaluated some of its early intervention and diversion programs, such as Youth on Track, A Place to Go and the Broadmeadow Children’s Court programs. However, this practice is currently limited to discrete programs and pilots. Youth Justice does not monitor and evaluate its ongoing offence-focused programs or engagement with services (including links to housing, employment, education and health services upon release) across each of its Youth Justice Centres and Community Offices. Therefore, it cannot provide assurance that programs and supports are relevant to the needs of First Nations young people, or lead to any change or positive outcomes.

Youth Justice is unable to provide information about the costs of its programs delivered in custody, on remand and under community supervision, as it does not maintain a breakdown of its budget and expenditure by program. Program expenditure and outcomes are not being recorded, monitored or evaluated, which is limiting transparency and the ability to contextualise program expenditure against program efficacy.

Youth Justice captures data on participation and completion of programs. However, the data does not clearly demonstrate which centres offered programs and how frequently they were delivered. For example, data provided by Youth Justice shows that Dthina Yuwali, a First Nations specific alcohol and other drug program, was not delivered at 4 out of 6 youth justice centres between 2019 and 2024. Youth Justice’s 2023 quality assurance reports found that participation and completion of programs is not being captured in the agency’s Client Information Management System (CIMS).

### 8.3. Increase in First Nations peoples on remand

Data from the NSW Bureau of Crime Statistics and Research (BOCSAR) demonstrates that the recent increase in the number of First Nations peoples in custody is largely driven by an increase in the number of people held on remand, which has grown significantly since 2019. The growth in the remand population is predominantly influenced by bail and sentencing policies, and reforms.

#### Adults

Domestic violence-related offences have been a significant contributor to the increase in the number of adults on remand, with BOCSAR reporting that it expects remand numbers to continue rising in line with increasing bail refusals for domestic violence matters.

As at December 2025, 2,196 (36.1%) adults on remand were First Nations, the highest number and proportion on record. 48.7% of all women on remand were First Nations, and 35% of all men on remand were First Nations.

In the 6-year period between January 2019 and December 2025, the number of First Nations adults on remand increased by 80.3%. Over the same period, the number of non-First Nations adults on remand increased by 10.3% (see Exhibit 2 within this report).

A significant number of First Nations adults are charged and placed in custody on remand, then subsequently released for reasons including:

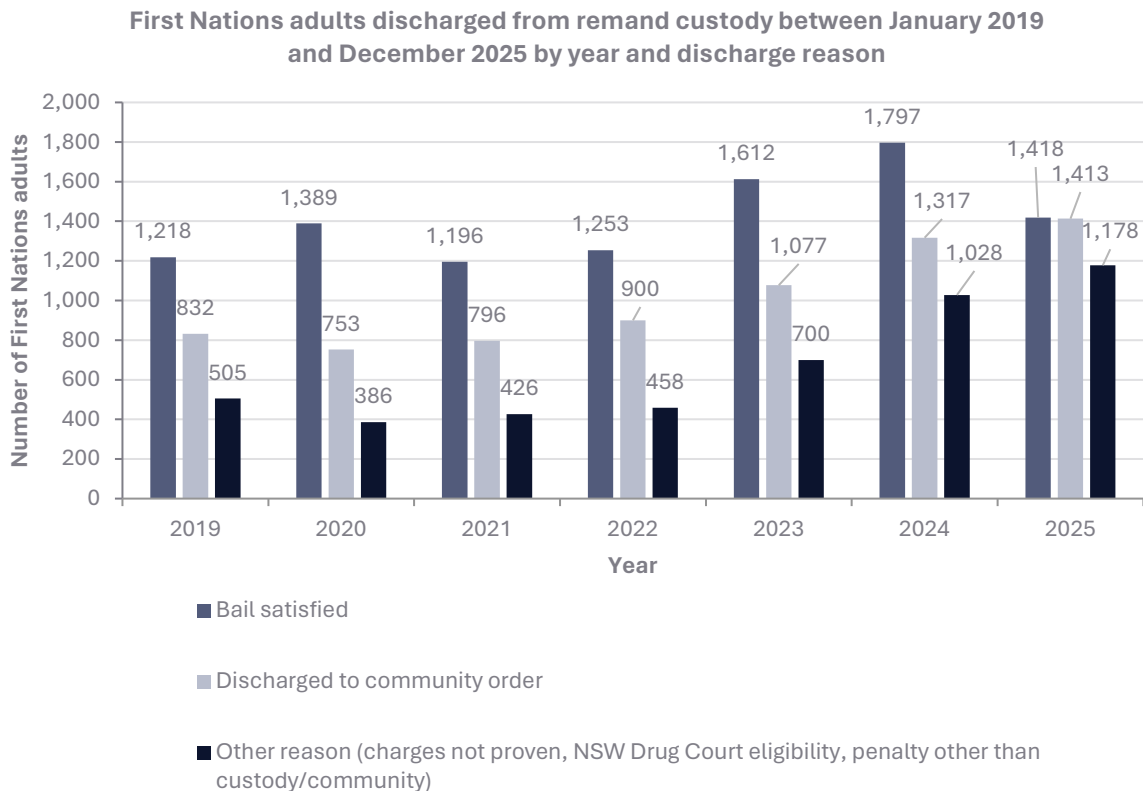
- bail being satisfied<sup>17</sup>
- discharge to a supervised community order
- charges not proven
- receiving a penalty other than a custodial or supervised community order
- eligibility for the NSW Drug Court program.

First Nations adults spent an average of 68 days and a median of 44 days on remand before being discharged for the above reasons, as at December 2025. BOCSAR data demonstrates that out of 42,456 First Nations adults who entered custody on remand between January 2019 and December 2025, 21,652 (51%) were later discharged for these reasons. Exhibit 14 below sets out the number of First Nations adults discharged from remand custody between 2019 and 2025 by year and reason for discharge.

---

<sup>17</sup> The decision to grant or refuse bail can be made by a police officer, authorised justice or court with power to make bail decisions under the *Bail Act 2013 (NSW)* ('the Act'). Bail is satisfied where an individual can show cause as to why his or her detention is not justified, and if they do not present an unacceptable risk in accordance with Section 18 of the Act. Conditions may also be imposed on an individual to address any bail concerns, for example, accommodation, electronic monitoring, accompaniment, refrain from consuming drugs or alcohol.

**Exhibit 14: Number of First Nations adults discharged from remand custody between January 2019 and December 2025 (latest available data) by year and discharge reason**



Source: AONSW analysis of BOCSAR data.

Whilst not disaggregated by Aboriginality, the Australian Productivity Commission’s annual *Report on Government Services* (ROGS) highlights the significant cost of remanding adults in custody. The 2024–25 real net operating expenditure is reported as \$318.66 per person per day in NSW correctional centres.

**Corrective Services has not used the levers available to it, or adapted its system to better meet the needs of First Nations peoples on remand**

Corrective Services has 4 generic programs for remand inmates, none of which were designed by, or in partnership with, First Nations stakeholders. The agency advised that ‘there are a number of complexities involved in delivering group-based programs to remand cohorts, perhaps most significantly the transient nature of the cohort’. However, Corrective Services has been aware of the increasing number and proportion of First Nations adults on remand since at least 2016, when its Corrections Research, Evaluation and Statistics (CRES) Team published a research bulletin recognising the issue.

Many First Nations peoples remain in custody on remand for extended periods of time. As noted above, BOCSAR data demonstrates that First Nations adults spent an average of 68 days and a median of 44 days on remand before being discharged for reasons other than a custodial sentence, as at December 2025. Data provided by Corrective Services indicates that of all First Nations peoples admitted to custody between 2019 and 2024:

- 11 remained in custody on remand for over 2 years
- 90 remained in custody on remand for a period of between 1–2 years.

The lack of access to services and programs was raised in a 2020 coronial inquest into the death of a First Nations man in custody in NSW. In the report, the NSW Coroner stated that over the course of 2 years on remand, the man was ‘unsettled’ and ‘did not receive sustained psychological care or support’, or ‘drug and alcohol treatment’ despite his evident needs.

Corrective Services do not provide case management support for First Nations peoples who are on remand, meaning that these individuals do not receive structured assistance to address their reintegration needs. The agency has not co-designed supports with First Nations stakeholders and partner agencies to ensure that people released from remand are connected to, or already engaged with, services that reduce the risk of reoffending. Our previous performance audits into [Mental health service planning for Aboriginal people in New South Wales \(2019\)](#) and [Access to health services in custody \(2021\)](#) also identified limited supports for people released from custody.

Exhibit 15 below illustrates the experience of a young First Nations adult being released from remand custody. Kevin's story underscores the urgent need for culturally appropriate, holistic support for First Nations peoples on remand. Information for this case study was sourced from audit observations in a NSW Correctional Centre and interviews with First Nations stakeholders. Identifying details have been changed to protect the privacy of those affected.

While Corrective Services is primarily a receiving agency and has limited control over the number of First Nations peoples initially entering its system, it does have a sphere of influence. However, it has not sufficiently redesigned its system to service the increase in the number of First Nations peoples on remand. It has also not taken formal steps to raise the practices contributing to the growing remand population to the NSW Government and relevant agencies.

### **Exhibit 15: Case study on lack of throughcare support**

#### **Kevin's experience of throughcare**

Kevin is a 19-year-old First Nations man who was recently released from custody after being held on remand for 3 months. Prior to being incarcerated, Kevin was unemployed and faced significant challenges with alcohol and drug misuse. Kevin was also experiencing unstable housing and bouts of homelessness. Kevin's release from custody occurred without any formal planning or coordination. He did not meet with a caseworker, and there was no discussion about addressing the issues that led to him entering custody. Instead, he was released from the correctional centre and provided with an Opal card to catch a bus and a train back to his community, over 3 hours away. Kevin did not have pre-arranged accommodation or supports in place.

Source: Anonymised case study based on information received during conduct of this audit.

## **Young people**

The proportion of First Nations young people on remand (of the total remand population) peaked in March 2024 at 70.6%, the highest on record. As at December 2025, 92 young people on remand (54.1%) were First Nations, representing a decrease from the peak recorded in March 2024. At December 2025, 46.2% of young women on remand were First Nations, and 54.8% of young men on remand were First Nations.

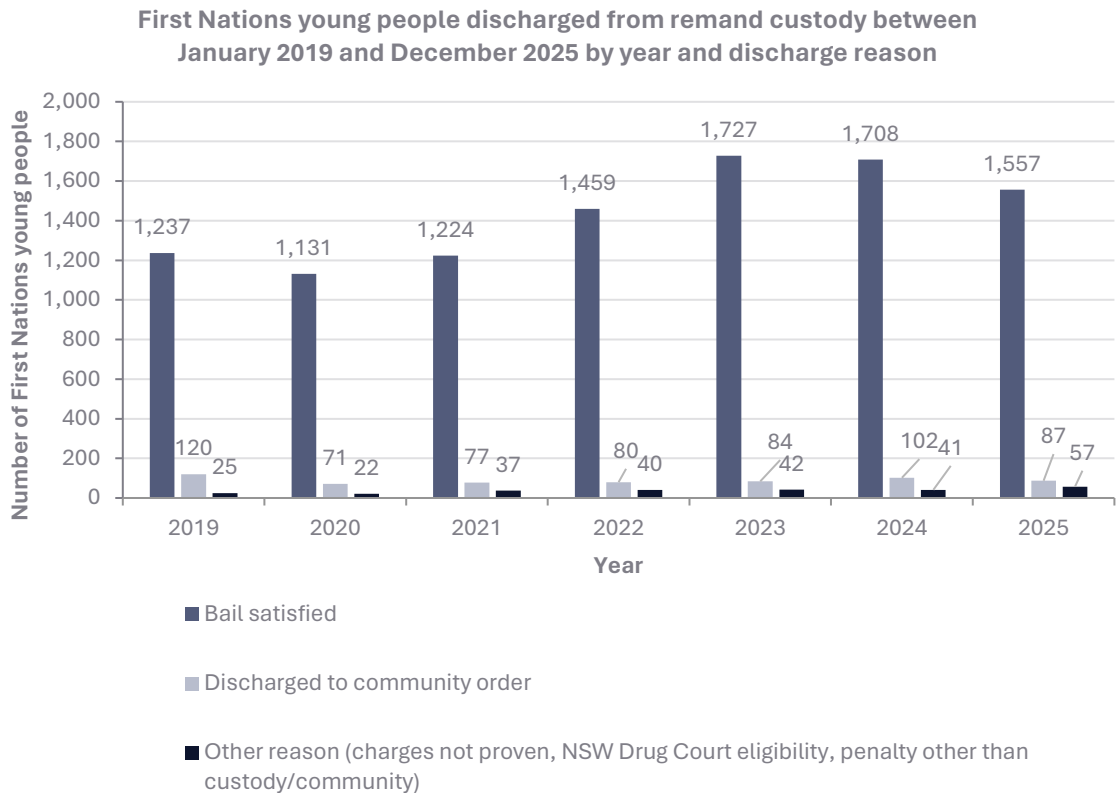
In the 6-year period between January 2019 and December 2025, the number of First Nations young people on remand increased by 21.1%. Over the same period, the number of non-First Nations young people on remand increased by 4% (see Exhibit 4 within this report). A 2022 Inspection Report by the Inspector of Custodial Services (ICS) states that 'Youth Justice is essentially operating 6 remand centres'. According to BOCSAR, the primary factor driving the increasing remand population is the rise in the bail refusal rate.

A significant number of First Nations young people are remanded into custody then subsequently released for reasons including:

- bail being satisfied
- discharge to a community order
- charges not proven
- NSW Drug Court eligibility
- a penalty other than a custodial or community order.

First Nations young people spend an average of 11 days and a median of one day on remand before being discharged for the above reasons, as at December 2025. BOCSAR data demonstrates that out of 11,739 First Nations young people who entered custody on remand between January 2019 and December 2025, 10,928 (93.1%) were later discharged for the above reasons. Exhibit 16 below sets out the number of First Nations young people discharged from remand custody between 2019 and 2025, by year and reason for discharge.

**Exhibit 16: Number of First Nations young people discharged from remand custody between January 2019 and December 2025 (latest available data) by year and discharge reason**



Source: AONSW analysis of BOCSAR data.

Remanding First Nations young people in custody comes at significant financial cost. In 2024–25 (latest available data) the per person cost for detention-based supervision in NSW was \$2,573.26. In comparison, the cost per average day per young person under community-based supervision was \$367.68. Using these figures as an example to illustrate the cost difference, a simple calculation using the number of First Nations young people in custody during the audit period<sup>18</sup> and the average number of days spent in custody over that period<sup>19</sup>, demonstrates custodial models cost around \$300 million more than community supervision between 2019 and 2024.

<sup>18</sup> Between 2019 and 2024, 8,533 First Nations young people were remanded into custody, then later released without conviction (including where bail was satisfied or the matter was dismissed).

<sup>19</sup> First Nations young people spent an average of 16.3 days in custody on remand between 2019 and 2024.

## Youth Justice has not used the levers available to it, or adapted its system to better meet the needs of First Nations peoples on remand

The increase in First Nations young people on short-term remand impacts the delivery of programs and supports as there is a limited window of time in which to provide sufficient throughcare support or links to services to prepare young people for release. Due to this time constraint, Youth Justice advised that basic and acute needs are prioritised, and the majority of its other resources are allocated to a range of early intervention and diversion programs and services to divert young people from being placed on remand in the first place. This includes, the Bail and Accommodation Support Service (BASS), A Place to Go Program, Broadmeadow Children’s Court Program, Short-Term Remand Program (see Exhibit 17 below) and the development of the Moree Bail Accommodation Program.

### Exhibit 17: Case study

#### Youth Justice NSW short-term remand program

This Youth Justice funded program was developed to address the issue of short-term remand, where bail refusals by police are overturned within 24 hours by the courts. The pilot program aims to reduce these occurrences through improved systems, diversionary responses and family supports. The pilot operates in South Sydney and Riverina, with initiatives such as police engagement with the Youth Justice Bail and Accommodation Support Service and the placement of a Short-term Remand Pilot Coordinator at police stations to facilitate information sharing, family connections, and safe accommodation options. Youth Justice reported that in 2023–24, the program engaged 300 young people in South Sydney, including 5 who accessed fee-for-service accommodation and supported regular participation in Tribal Warrior’s Friday Night Lights, totalling 619 occasions of service. In Riverina, Youth Justice advised that 71 young people received flexible brokerage support, 132 accessed the Youth Hub and 78 were supported through Youth Outreach. Youth Justice highlighted collaboration with senior Wiradjuri Elders and community stakeholders in designing culturally responsive elements. It also noted that, as part of a broader whole-of-government initiative, systemic changes have resulted in no young people being held on short-term remand in the Riverina Youth Justice Centre at the time of writing this report.

Source: AONSW summary of audit evidence provided by Youth Justice.

The existence of early intervention and diversion programs is a positive step, however there are limitations due to the location and capacity of each program, relative to the number of First Nations young people who require support. For example, the Moree Bail Accommodation Program currently under development will have the capacity to house only 4 young people at one time. In addition, between 2019 and 2024, only 93 First Nations young people were placed by the BASS service. A 2022 ICS Report found that BASS is struggling to meet demand and with a limited pool of out-of-home care accommodation, youth justice centres are ‘becoming crisis care accommodation for young people’.

While Youth Justice is primarily a receiving agency and has limited control over the number of First Nations peoples initially entering its system, it does have a sphere of influence. However, it has not redesigned its system to service the increase in the number of First Nations young peoples on remand. This is despite acknowledgment on the Department of Communities and Justice (DCJ) website that: ‘We can reduce the number of people in the justice system by focusing on reducing the number of people on remand. This makes remand an important part of achieving our goals.’ Youth Justice has not taken formal steps to raise the practices contributing to the growing remand population to the NSW Government and relevant agencies.

## 8.4. Post-release case management

The NSW Government’s *2022–2024 NSW Implementation Plan for Closing the Gap* reported that reoffending is a significant factor in the growing number of First Nations peoples in custody. It states that preparing First Nations peoples for release and supporting them on return to the community would significantly contribute to reducing the First Nations prison population.

## Exiting custody without community supervision

### **Casework approaches for those exiting custody without community supervision do not ensure First Nations peoples are exiting with supports and services**

Corrective Services' Case Management Policy requires staff to provide pre-release and reintegration planning to reduce the risk of reoffending. However, in practice, Corrective Services caseworkers primarily encourage individuals to find information and make their own arrangements for services. Caseworkers do not:

- proactively ensure that people exiting custody have access to evidence-based supports and services
- have procedures to procure services when they are unavailable or clear escalation pathways when urgent access to services is required
- have access to a list of effective and culturally safe supports, including psychological services to suit individual needs.<sup>20</sup> The casework policy lists only Corrective Services oversight bodies as stakeholders.

Similarly, Youth Justice's Case Management Policy requires staff to provide young people with referrals to external services to 'help them establish supportive ties in their community or to assist them throughout and beyond their involvement with Youth Justice'.

Casework staff across Corrective Services and Youth Justice confirmed that their roles in linking people to services are largely passive. While they do provide referrals to services in preparation for and upon release, they are not able to follow up with individuals or services and they cannot advocate for an individual's needs once a referral is made.

This inability to provide sufficient throughcare support is further constrained by the significant increase in the number of First Nations peoples on short-term remand, which leaves little time to prepare people for release and to reduce the risk of reoffending.

Both agencies acknowledge the need to improve casework and throughcare support and have received funding in their 2025–26 budget to develop new approaches to throughcare, in partnership with the Aboriginal Legal Service.

### **The agencies do not have mechanisms to understand whether casework and referrals contribute to improved outcomes for First Nations peoples exiting custody without community supervision**

Corrective Services' Case Management Policy requires its staff to provide pre-release and reintegration planning to reduce the risk of reoffending. A case plan is developed for people who have custodial sentences of 3 months or more and is required to be completed within 35 days of the sentence being handed down. Corrective Services monitors casework timeframes, but does not track whether case plans reach milestones/goals.

Youth Justice's Case Management Policy requires that all young people have a case plan within 4 weeks of entering custody. As part of this, staff are required to identify factors and strategies based on comprehensive assessment of a young person's offence-related needs, responsivity factors and strengths to reduce the risk of reoffending. Case plans must identify a young person's goals, steps and strategies to achieve each goal, and any other personal goals to be addressed in the future. If needs or goals remain upon the young person's exit from custody, Youth Justice staff are required to refer a young person to suitable services and facilitate engagement with that service.

---

<sup>20</sup> Appendix 3 of this report contains handwritten notes received by the audit team from a First Nations Inmate Delegate, expressing that they are unaware of culturally safe supports or services available to them in custody and upon release.

Despite recognition of the need for throughcare, the agencies do not have mechanisms to understand whether custodial casework and post-release referrals contribute to improved outcomes for First Nations peoples exiting custody without community supervision. Whilst the agencies are not required to follow up or measure outcomes for those people exiting custody without community supervision, the lack of mechanisms, particularly for those who repeatedly return to custody, makes it difficult to assess and improve supports to reduce reoffending and reincarceration.

## Exiting custody under community supervision

### The agencies do not have measures to understand the impact of its casework for those exiting custody under community supervision

Corrective Services reports that a risk mitigation plan is developed for individuals exiting custody under Community Corrections supervision. These plans are collaboratively created by custodial and community-based staff to identify reintegration strategies, guide post-release supervision and address needs such as service referrals and program participation. For First Nations inmates, this may include connecting with local Aboriginal Community and Cultural Engagement Officers.

Corrective Services staff refer people under Community Corrections supervision to over 3,000 external support services across NSW, including drug and alcohol counselling, mental health services, accommodation providers, vocational training and employment services. However, Corrective Services does not have quantitative measures to understand the number of referrals taken up, or qualitative measures in place to assess the effectiveness of its casework or the impact of these referrals and supports on reintegration outcomes for First Nations peoples.

Youth Justice's Case Management Policy acknowledges that transitions from detention to community supervision are points of significant change. The policy requires 'substantial continuity in planning between detention and community' including referral to services and facilitating engagement with services. The policy states the intention is to 'establish supportive ties in their community or to assist them throughout and beyond their involvement with Youth Justice'.

The audit team found variation in how Youth Justice Centres manage continuity between custody and community. In some centres, strong relationships between custody and community teams support more consistent engagement. In other centres, community caseworkers and psychologists are not routinely visiting the centres prior to a young person's release. Staff consistently emphasised the importance of early engagement prior to release and advised that continuity improves when community teams regularly visit custody centres and participate in handovers. Staff also expressed interest in opportunities to provide more throughcare support and support to families. The lack of consistent throughcare is compounded by high caseloads.

Youth Justice does not have measures in place to evaluate its casework procedures upon transitioning from detention into community supervision. It does not monitor or report on service activity, including engagement with services, or outcomes linked to services and supports, for example whether the young person has stable housing or is engaged with employment/education following their release.

This lack of evaluation makes it difficult for the agencies to understand what works, to improve service delivery and ensure that post-release supervision is meeting the needs of First Nations peoples exiting custody.

---

## 9. Partnerships to improve post-release supports

The interdependence of Closing the Gap targets and the shared outcomes they influence mean that interagency cooperation and accountability, and partnerships with First Nations stakeholders are essential. Progress in one area can drive progress toward the other Closing the Gap targets. An interagency approach is challenging in an environment where core agency responsibilities frequently change through machinery of government processes.

Previous reports by the Audit Office of NSW and the NSW Ombudsman have highlighted the challenges of an interagency response to the systemic inequalities faced by First Nations peoples. The reports cite broader governance issues, including undefined authorising environments, undefined roles and responsibilities, fragmented accountability and an absence of consistent mechanisms for communication and escalation.

### 9.1. Partnerships with child protection services

Between 2019 and 2024, 30% of First Nations young people admitted to custody were also in out-of-home care at the time of their admission. Data from the Australian Institute of Health and Welfare reports that out of 1,144 First Nations young people who had been under Youth Justice supervision during 2022–23, 848 (74%) had an interaction with the child protection system. In its 2018 *Pathways to Justice* report, the Australian Law Reform Commission (ALRC) cited a 2005 study which found that ‘90% of Aboriginal and Torres Strait Islander youths who appeared in a children’s court went on to appear in an adult court within 8 years – with 36% receiving a prison sentence later in life’.

As at December 2024, Corrective Services reported that out of 4,007 First Nations peoples in custody, 766 (19%) reported they had previously been in out of home care. In recognition of the links between out-of-home care, juvenile justice and adult incarceration, the ALRC recommended the establishment of a national inquiry into child protection laws and processes affecting First Nations peoples.

#### **Youth Justice has not formally partnered with Child Protection to identify and support young people who are frequent users of their systems**

In 2014, the former Departments of Family and Community Services and Juvenile Justice established a Memorandum of Understanding and Joint Operational Practice Guidelines to support joint clients. Youth Justice and Child Protection have been co-located under the Department of Communities and Justice since 2019. Despite this, Youth Justice has not established systems to formally integrate case management and support for young people and their families involved in both systems.

The lack of integration between youth justice and child protection systems contributes to fragmented service delivery, inconsistent case management and missed opportunities for early intervention. In addition, the absence of shared governance, data, systems and culturally grounded practice perpetuates a reactive rather than preventative model of care. Without this, the trajectory from child protection to youth justice and adult incarceration remains a significant and unaddressed pathway.

#### **Corrective Services has partnered with Child Protection to establish co-located caseworkers in women’s correctional centres**

In January 2020, Corrective Services partnered with Child Protection to assist women in custody with child protection-related issues by introducing the Co-Located Caseworker Program (CLCW). This contributed to 2 of the then NSW Government key priorities; to reduce recidivism in the adult prison population, and to increase permanency for children in out of home care. It also addressed recommendations from the 2019 *Family is Culture* review, an independent review of First Nations

children and young people in out-of-home care in NSW, which highlighted the need to improve casework practice for First Nations children with incarcerated parents.

An independent evaluation found that the CLCW Program was, 'a well-designed, effectively implemented and much needed initiative for women in custody who have children involved with the child protection system'. The evaluation found that it has the potential to deliver significant benefits for women in custody and children engaged with the child protection system, and that it may also contribute to improved interagency coordination and collaboration between Corrective Services and Child Protection. The evaluation identified opportunities to strengthen the program if expanded, including greater involvement of services such as DCJ Housing and enhanced integration of correctional and child protection case planning.

## 9.2. Partnerships with other relevant agencies

### **Corrective Services has not established any formal partnerships or escalation procedures with external agencies whose services support reduced reoffending**

Corrective Services has not established formal mechanisms with other relevant agencies to enable a collaborative approach to supporting First Nations peoples exiting custody with or without community supervision, and it has not developed escalation procedures to identify service access and availability gaps.

For example, Corrective Services staff advised that access to stable housing upon exit from custody is a protective factor to prevent reoffending. However, it has not partnered with Homes NSW to prioritise the housing needs of First Nations peoples exiting custody. Corrective Services is participating in discrete projects such as, the Aboriginal Women Leaving Custody Legal Aid Program at Broken Hill and Homeward Sisters Project designed to assist First Nations women in custody who are experiencing issues with accessing housing assistance. However, because formal agreements are not in place, the agency cannot escalate or collect evidence of service issues across the state to allow for broader service system planning with Homes NSW.

Corrective Services currently fund 30 supported accommodation beds delivered by 6 providers across 8 locations in NSW, none of which are located in Local Government Areas with the highest proportion of First Nations peoples entering custody. Corrective Services advise there is one dedicated Aboriginal Community-Controlled provider for First Nations offenders and that locations are determined by accommodation providers who bid for funding as part of the tender process. However, Corrective Services has not demonstrated that it actively cultivates opportunities for Aboriginal Community-Controlled Organisations (ACCOs) in locations of highest need. This is despite whole-of-government requirements under Priority Reform Two of Closing the Gap: Building the Community-Controlled Sector.

### **Youth Justice has formal partnerships with key external agencies, but has not demonstrated their practical operation or outcomes**

Youth Justice has formal Memoranda of Understanding (MoU) with key agencies including the Department of Education (2015), Justice Health and Forensic Mental Health Network (2016) and the former Department of Community Services (2014). These agreements are intended to support coordinated service delivery for joint clients and provide a pathway for escalating issues.

Despite the MoU being active for between 9 and 12 years, Youth Justice cannot demonstrate the mechanisms that support their practical operation, such as monitoring and evaluation, effectiveness or the consistent escalation of service system issues that limit access to supports known to reduce reoffending. Youth Justice report that these MoU are currently under review.

Youth Justice staff also consistently reported to us that access to housing and other community supports are a risk factor for young people returning to custody. Exhibit 18 below illustrates examples of this. Youth Justice advised it is in the process of establishing a principle-based partnership agreement with child protection which will prioritise homelessness/accommodation supports.

## Exhibit 18: Case study

### Youth Justice Centres acting as crisis accommodation

Youth Justice staff consistently advised us that the lack of access to housing and other community supports is leading to young people returning to custody and to youth justice centres acting as crisis accommodation. For example, staff advised ‘a lot of the kids want to come back into custody, they can’t get off the drugs on the outside’.

This has led to youth justice centres being perceived less as a deterrent to reoffending and more as a source of safety and support for young people. Multiple examples supporting this were provided to the audit team during fieldwork.

For example, when First Nations young people were asked by youth justice centre staff why they had returned, they responded:

- ‘When you lock my room at night, at least I know I won’t be touched up in here’
- ‘It’s coming into Winter and it’s cold’
- ‘I’m upset because I only got sentenced to a month’
- ‘In here I don’t have to sleep with one eye open’.

Source: AONSW summary of audit fieldwork interviews and observations.

## 9.3. Partnerships with First Nations stakeholders

### Both agencies partner with First Nations stakeholders to deliver specific post-release programs and initiatives, but lack more consistent formal partnerships and mechanisms at statewide, regional and local levels

Both agencies partner with First Nations stakeholders to deliver ad hoc programs and initiatives to support First Nations peoples exiting custody. For example, Corrective Services partners with the Aboriginal Housing Office, Tharawal Aboriginal Corporation and Marrin Weejali Aboriginal Corporation to deliver the Dubai Gynyah initiative in Western Sydney, a program which provides up to 6 months accommodation for First Nations women leaving custody.

Similarly, Youth Justice partners with the South Coast Medical Services Aboriginal Corporation to deliver the Aboriginal Reintegration and Transition Program (Ngudjoong Billa) in the Shoalhaven and Far South Coast region. Ngudjoong Billa aims to reduce the risk of reoffending through supporting young people to build resilience and wellbeing, cultural identity through strengthening connections to Country and family, and successful reintegration into the community.

However, this activity is confined to discrete programs, and there are limitations due to the location and capacity of each program, relative to the number of First Nations peoples who require support. The agencies do not have established formal partnerships or mechanisms to consistently engage with key First Nations stakeholders, including First Nations governance groups and ACCOs, at statewide, regional and local levels. This prevents collaborative approaches to support First Nations peoples exiting custody, under community supervision or otherwise.

In addition, the agencies have not established escalation procedures to identify and address gaps in service access or availability. Inconsistent partnerships and mechanisms across all levels limits the agencies’ ability to systematically identify service issues or escalate these to inform broader service system planning that responds to the needs of First Nations peoples and communities.

---

# Appendix 1 – Relevant previous reports and inquiries

## **Royal Commission into Aboriginal Deaths in Custody, 1991**

The Royal Commission into Aboriginal Deaths in Custody (RCIADIC) was conducted between 1987 and 1991. RCIADIC was established to investigate the deaths of First Nations peoples in custody in the 1980s but ultimately expanded to examine the causes of the over-representation of First Nations peoples in custody.

The final report was presented to governments in 1991 and made 339 recommendations across a wide range of policy areas, primarily in relation to policing, criminal justice, incarceration and deaths in custody. In March 1992, the state, territory and federal governments responded to RCIADIC, confirming the acceptance of the vast majority of the Royal Commission's 339 recommendations and outlining the steps to be taken to implement the accepted recommendations. Corrective Services reports that 78 recommendations applied to them and another 11 recommendations applied to both Corrective Services and Justice Health NSW.

The report highlighted that significant improvements were needed to the criminal justice system and policing in relation to custody arrangements, post-death investigations, support for First Nations individuals and communities that encounter the criminal justice system, and the fair application of laws to First Nations peoples.

## **Australian Law Reform Commission 2017, *Pathways to Justice - Inquiry into the Incarceration Rate of Aboriginal and Torres Strait Islander Peoples***

This Inquiry noted that a First Nations person was 12.5 times more likely to be in prison than a non-First Nations person. Finalised in December 2017, the report contained 35 recommendations focusing on reforms to laws and legal frameworks to reduce the over-representation of First Nations peoples in custody. The recommendations related to:

- promoting equality before the law
- promoting fairer enforcement of the law and application of legal frameworks
- ensuring First Nations-leadership and participation in the development and delivery of programs
- reducing reoffending through effective diversion, support and rehabilitation programs
- providing alternatives to imprisonment
- promoting justice reinvestment.

The Australian and State and Territory governments did not issue a formal response to the Inquiry's recommendations. However, justice targets were incorporated into the *National Agreement on Closing the Gap 2020*.

## **NSW Legislative Council Select Committee 2021, *The high level of First Nations peoples in custody and oversight and review of deaths in custody***

The focus of this Inquiry was the operations and functions of the oversight bodies tasked with investigating and reviewing First Nations deaths in custody in NSW. The Inquiry found that oversight of First Nations deaths in custody was fragmented and lacked independence. The recommendations collectively call for reform of the criminal justice system to address systemic injustices faced by First Nations peoples, emphasising immediate and comprehensive implementation of recommendations from previous inquiries. In its response issued on 13 October 2021, the NSW Government confirmed its support or support in principle for 16 of the Select Committee's recommendations. Ten recommendations were under consideration, 8 recommendations were noted and 5 recommendations were not supported.

**NSW Parliamentary Research Service 2023, *Reducing incarceration of Aboriginal people: Challenges and choices***

This report notes the key drivers of the over-representation of First Nations peoples in custody as systemic issues including bail laws, sentencing practices, and limited access to diversion and community-based sentencing options, compounded by broader social determinants including housing, health and education.

The report found that while many solutions are known, implementation has been inconsistent or lacking. It recommended that the NSW Government fully implement outstanding recommendations from previous Inquiries, and embed First Nations-led, community-based, and culturally appropriate supports across the justice system. The report also calls for structural reforms, including justice reinvestment and shared decision-making with First Nations communities, to address both the causes and consequences of incarceration.

**Senate Standing Committees on Legal and Constitutional Affairs, Parliament of Australia 2025, *Interim Report on Australia's youth justice and incarceration system (Chapter 3: First Nations youth in detention)***

Chapter 3 of the Interim Report on Australia's youth justice system highlights the severe over-representation of First Nations youth in detention. In 2022–23, First Nations young people made up 57% of those under youth justice supervision and were 28 times more likely to be detained than non-First Nations youth.

The report attributes the disparity to systemic issues including colonisation, intergenerational trauma, racism and socio-economic disadvantage. It criticises current policies as neglectful and calls for a shift toward non-punitive, culturally safe approaches. The report also documents discriminatory policing practices and limited access to diversionary programs, reinforcing the need for structural reform and accountability across jurisdictions.

**Australian Institute of Health and Welfare 2025, *Closing the Gap targets: key findings and implications (Chapters 10: Criminal justice and 11: Youth justice)***

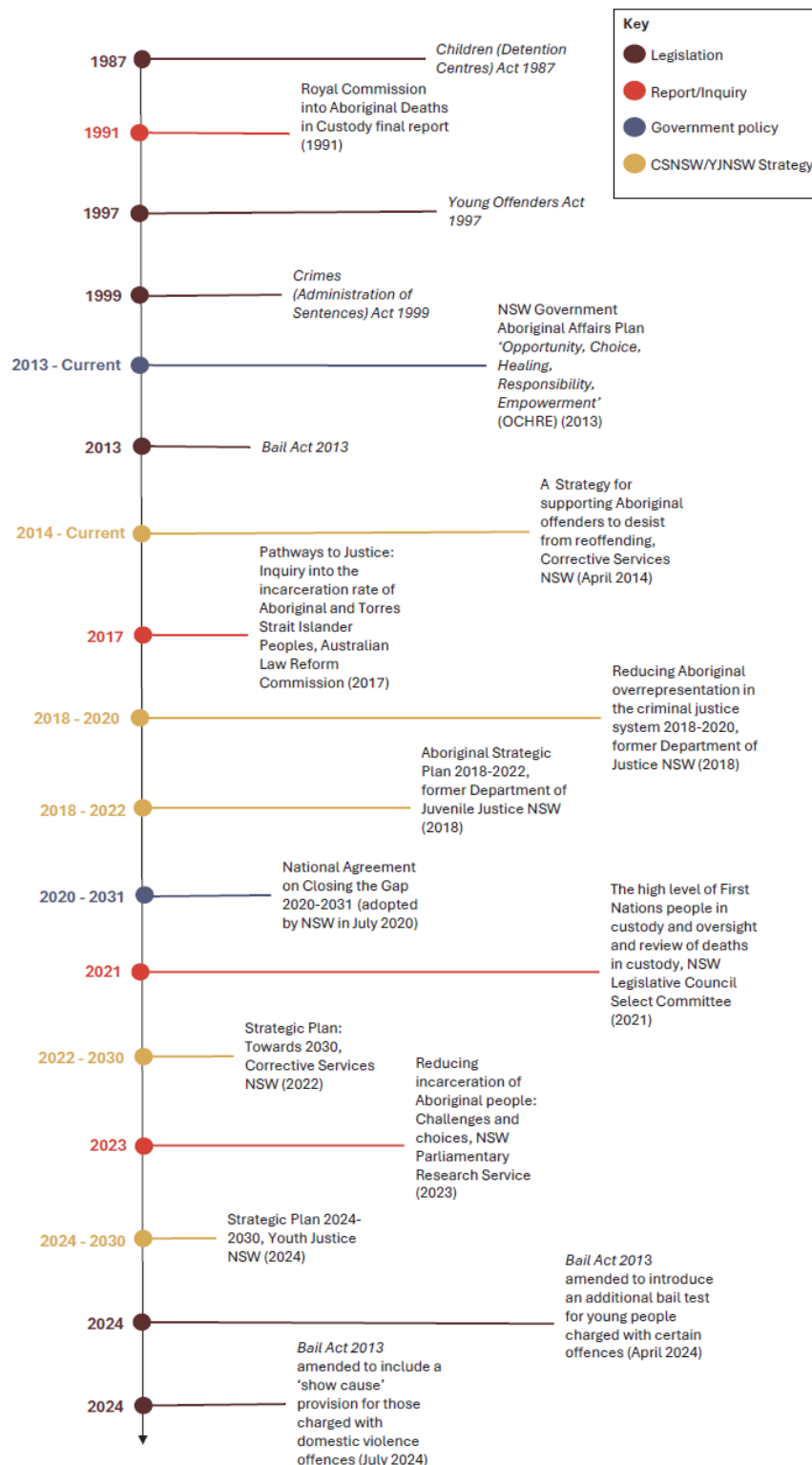
This report highlights that the national targets to reduce the incarceration rate of First Nations adults and young people are both off-track. The report notes the key drivers of the over-representation of First Nations peoples in the criminal justice system as intergenerational trauma, socioeconomic disadvantage, poor educational outcomes, family disruption, mental health issues and early contact with the justice and child protection systems.

The report highlights a number of strategies for reform including:

- addressing modifiable risk factors (education, employment, housing)
- expanding culturally appropriate and community-led justice responses
- investing in prevention, diversion and justice reinvestment
- embedding early intervention and healing programs.

Effective service coordination, community participation and further research into protective factors are also highlighted as essential for reducing over-representation and improving outcomes.

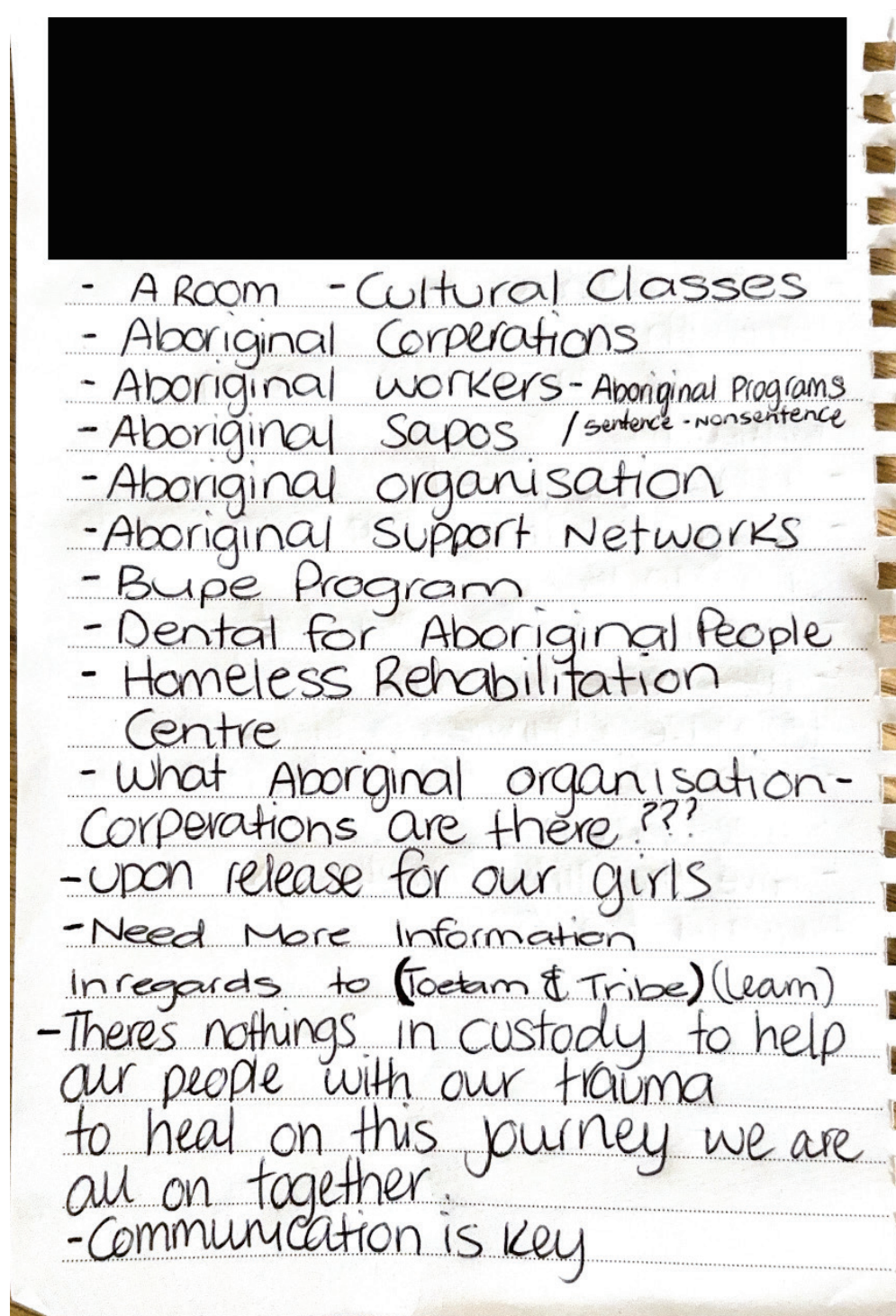
# Appendix 2 – Timeline of relevant agency strategies, reports and inquiries, government policy, and legislation



---

## Appendix 3 – Notes provided by First Nations Inmate Delegates

Below are copies of handwritten notes provided to the audit team by First Nations Inmate Delegates, expressing a lack of awareness of the support services available to them in custody and upon release.



---

# Appendix 4 – Response from entity

OFFICIAL



Corrective Services NSW  
Locked Bag 5000  
Parramatta NSW 2124  
Tel 02 8346 1333  
[www.dci.nsw.gov.au](http://www.dci.nsw.gov.au)

## Annex A Corrective Services NSW's response

6 March 2026

Dear Auditor General

Corrective Services NSW (CSNSW) appreciates the opportunity to provide a detailed response to the Audit Office of NSW's (AONSW) final report *Support for First Nations People in Custody and Post Release to Reduce Reoffending* (the Report), received 9 February 2026.

This attachment presents CSNSW's position on the key findings and recommendations of the Report and details the programs and reforms already implemented or in progress, in response.

Late last year, the NSW Government, in partnership with the NSW Coalition of Aboriginal Peak Organisations (CAPO), released the *Closing the Gap 2025–2028 Implementation Plan* (the Implementation Plan), creating clear outcomes to meet its Closing the Gap (CTG) targets and deliver priority reforms. The Implementation Plan reflects and embodies the shared responsibility across Government to improve the lives of Aboriginal people by driving systemic transformation and strengthening government and leadership accountability. It includes \$20 million for Aboriginal-led, culturally safe programs to support Aboriginal people leaving custody, to reduce the likelihood of reoffending.

As the recently appointed Commissioner, I have been brought in to lead a significant reform agenda to improve outcomes across CSNSW. A central focus of this work is a commitment to achieving better outcomes for Aboriginal people in custody and post release, supported by culturally informed practice and guided by stronger collaboration with Aboriginal communities.

I am pleased to provide the below detail on work that is already underway, as we continue to work towards ongoing reform.

The NSW Government takes a whole-of-government approach to planning, monitoring, and coordinated delivery of CTG targets. Under the Government's CTG governance structure, strategic discussions are held on progress against the CTG targets across government and in partnership with Aboriginal communities.

CSNSW also has additional governance structures in place to monitor compliance with CTG targets. This includes the re-establishment of the Aboriginal Advisory Council as a shared governance body to oversee strategic direction and strengthen accountability for Aboriginal outcomes. CSNSW will also establish specialised Aboriginal oversight bodies to provide guidance on embedding cultural safety and Aboriginal leadership in reform design and delivery for several projects underway across the agency, including the inaugural *CSNSW Women's Strategy 2026-2036*; which is currently in its final stages of development.

In relation to your recommendation to implement a First Nations Healing Framework, last year our agency launched the *CSNSW Aboriginal Cultural Safety Framework* for our staff, which articulates the CSNSW approach to healing, focused on culturally grounded ways of working with Aboriginal people in our care. The framework was co-designed in consultation with Aboriginal Controlled Organisations (ACCOs) and Aboriginal staff, and has a focus on Aboriginal

OFFICIAL

OFFICIAL

ways of knowing, being and doing. The framework will be the basis for a Healing Framework that is focussed on improvements for Aboriginal people.

As to your recommendation on establishing formal partnerships with Aboriginal stakeholders, as is evidenced above, CSNSW values ongoing, strategic partnerships with ACCOs and Aboriginal people, organisations and communities more widely, in all our work. These strong partnerships enable the building of a culturally safe environment for Aboriginal inmates and staff alike to feel safe, respected, heard and acknowledged.

I'd also like to address your recommendations relating to the need to review inmate classification, intake, and assessment tools to ensure cultural appropriateness. Late last year, at the Minister's direction, I commenced a review of the inmate classification system. As part of this comprehensive review, the needs and impacts of vulnerable cohorts are being closely considered. Through our ongoing discussions, CSNSW will continue to keep you updated on the progress of this work.

Last, I note that your report references relevant agency CTG strategies and policies that have been in place over time. I would like to clarify the current and proposed CSNSW strategy and governance in relation to CTG targets. CSNSW is currently developing its new *Closing the Gap Strategy*, which will be aligned with the aforementioned *CSNSW Aboriginal Cultural Safety Framework*. The Strategy will be guided by key principles, including leveraging existing governance and strategic architecture to coordinate delivery; adopting a phased, evidence-based approach; managing timeframe risks; and extending reform efforts beyond custodial settings to strengthen community partnerships and support sustainable outcomes. The new CTG Strategy will refine CSNSW's approach to its CTG targets, essentially incorporating the several previous strategies referenced in your report, for example, *Opportunity, Choice, Healing, Responsibility, Empowerment' (OCHRE)*, *NSW Government Aboriginal Affairs Plan (2013)*; *Strategy for supporting Aboriginal offenders to desist from reoffending, Corrective Services NSW (April 2014)*; *Reducing Aboriginal Overrepresentation in the Criminal Justice System 2018-2020, former Department of Justice NSW*.

The Audit office should also note that the previous *Towards 2030* strategic plan is being replaced with a new *CSNSW Strategy & Blueprint*, which is currently under development. The new comprehensive strategic framework will cement and incorporate the CSNSW vision, enterprise-wide initiatives and strategic priorities; of which improvement in outcomes for Aboriginal people in our care is a critical part.

Whilst we are proud of the work that is already underway, we are acutely aware that there is always more to be done. As the agency progresses significant reform throughout 2026, it remains steadfast in its commitment to culturally grounded, evidence informed practice and welcomes ongoing collaboration with the AONSW and sector partners to ensure reforms deliver meaningful, lasting change for Aboriginal communities. We look forward to continuing to work with AONSW to monitor progress of the implementation of recommendations.



Gary McCahon PSM  
Commissioner  
Corrective Services NSW

OFFICIAL

## Annex B

### Youth Justice NSW response

4 March 2026

Youth Justice NSW (YJNSW) thanks the Audit Office for the insights provided in the performance audit of the agency.

YJNSW notes the Audit Office's acknowledgement of the agency's investment in strategies, programs and initiatives to provide support for First Nations people, an investment that aligns with YJNSW's commitment to Closing the Gap.

YJNSW would particularly like to acknowledge the work of the Aboriginal and Torres Strait Islander employees who now make up 22% of our total staff numbers and play a critical role in the organisation's systemic and structural transformation through direct service provision, formalised advice and leadership. This significant increase in the YJNSW Aboriginal workforce is a consequence of the Aboriginal Employment Plan that embeds system-wide supports to increasing the proportion of Aboriginal people in leadership positions, with all new recruitment opportunities being identified or targeted positions.

Several foundational initiatives which respond to the recommendations made by the Audit Office are underway. These include:

- The development of an agency-wide Outcomes Framework which will allow YJNSW to measure and evaluate the progress of our Strategic Plan 2024-2030 which is aligned with the Closing the Gap Agreement Priority Reforms and Target 11. The Outcomes Framework will enable business units and individuals to be accountable for their delivery of the Strategic Plan.
- Working with a First Nations consultancy to develop a framework for the agency's shared decision-making. This will inform YJNSW's approach to shared governance and decision-making with Aboriginal people and communities as relates to the agency's work.
- YJNSW has developed a Codesign Framework which provides guidance to all staff on how to codesign initiatives with Aboriginal families and communities to build competence and confidence to work in partnership.
- YJNSW and Aboriginal Legal Service co-chair and co-lead the planning and implementation of Target 11 responses, including development of a new throughcare program and a range of new therapeutic pathways to divert Aboriginal children from the justice system.
- YJNSW is investing significantly in Aboriginal Community Controlled Organisations (ACCOs) to deliver early intervention and diversion so that there are Aboriginal-led decisions being made in relation to intervening and diverting Aboriginal young people from the criminal justice system in a way that is trauma informed and safe for Aboriginal children. Six of nine Youth on Track service providers are Aboriginal owned and managed organisations. One of the Rural Rehabilitation Facilities is run by an Aboriginal Organisation. The Short-Term Remand program (STRP) Initiatives have been co-designed and co-implemented with local Aboriginal Elders, community members and young people with lived experience. Local

OFFICIAL

Aboriginal organisations and ACCOs share decision-making on local governance groups with police, youth justice, housing and homelessness, child protection, courts and NGOs.

- The Bail Accommodation Program in Moree was designed by Aboriginal stakeholders, following a co-design process. The work was developed and progressed in line with the Moree Governance committee and Moree ACCOs. YJNSW has been a member of the Moree Governance committee and has sought constant advice and guidance from this committee. The project partnered with Just Reinvest in the stages prior to the tender being sought. The tender panel was an all-Aboriginal panel which, on the recommendations of the Moree Governance Committee, included two local Aboriginal knowledge holders as voting members of the tender panel.
- The Safe Aboriginal Youth program is implemented by Aboriginal Community Controlled Organisations in ten regional communities across NSW.
- While there is currently no validated youth justice risk assessment tool for Aboriginal young people in Australia, YJNSW is reviewing and redeveloping its Assessment Guide, a resource intended to support the current risk assessment tool (YLS/CMI-AA). One key aspect of this redevelopment is the inclusion of culture as a protective factor against criminogenic risk. This change is supported by co-development with Aboriginal staff around the State and is being led by an Aboriginal Senior staff member in the YJNSW Practice & Implementation team.
- Once children are in contact with Youth Justice Centres, YJNSW focuses significant resources on health, safety, care, family connection and treatment during that period of contact. It is important to note, however, that sporadic contact with YJNSW Centres is unlikely to stop offending in the short-term. Most children in detention are out on bail within 24 hours and returned to their community. YJNSW is not mandated, authorised or resourced to deliver or maintain cultural, healing and therapeutic supports when children are released on bail after short term remand.
- For children who are in detention for longer periods, YJNSW develops and runs intensive programs that deliver health, education, cultural connection, family work, therapy and healing inside the centres. These include programs such as Changing Habits and Reaching Targets, My Journey My Life, My Journey My Life (Yinnar), Dthina Yuwali, Encouraging Positive Improvement and Change. These rehabilitative programs are of equal importance to the obligation to keep young people, staff and service providers safe within Centres. YJNSW staff work hard to maintain a balance between safety, security, and rehabilitation in what is inherently a custodial environment.
- Providing access in detention to more psychologists, caseworkers and cultural practice officers than other jurisdictions in Australia or New Zealand. YJNSW also partners with NSW Justice Health and Forensic Mental Health Network which provides clinics in every Centre with highly trained nurses, and access to doctors and forensic adolescent psychiatrists. NSW Education operates schools in every centre with individualised learning for children ranging from basic literacy to tertiary and vocational education. Notwithstanding this great service mix, there will always be a need to balance safety, security and access to services.
- YJNSW has a strong culture and history of program development, quality assurance and evaluation, noting there is scope to undertake more evaluations as our culturally-led programs and Closing the Gap Strategic Plan take effect over time. YJNSW is deeply committed to expanding evaluations and improving quality assurance and is exploring ways to resource this growth. YJNSW is reviewing existing approaches to the evaluation of the effectiveness of programs for Aboriginal young people to ensure that they can demonstrate tangible outcomes for Aboriginal young people. The simple measure of recidivism is inadequate for an adolescent offending cohort. It is an overly simplistic measure of program success and rehabilitative efforts and assumes direct causation between program and behaviour. More sophisticated, nuanced and longitudinal evaluative methods are required to assess a relationship between interventions and improvements in the conditions that are

OFFICIAL

related to long-term reductions in severity and frequency of crime, the shortening of a criminal career and, ideally, desistance. Aboriginal Impact Statements are required for all new initiatives and provide a vehicle for Aboriginal cultural oversight of the planning and implementation of all new initiatives. Since 2024, 26 or more Aboriginal Impact Statements have been completed and reviewed by the YJNSW Aboriginal Strategic Coordination Unit.

- YJNSW does not monitor the disaggregated expenditure attributable to First Nations young people but is able to estimate expenditure based on demographic statistics of young people in contact with YJNSW at a given point in time. Measuring individual expenditure is difficult noting as YJNSW does not deliver offence-based programs in discrete locations across the state, rather young people are transient and move in and out of custody and between community offices with regularity.
- YJNSW partners with and refers to a range of community-based organisations, including ACCOs, to support the release and reintegration of young people exiting custody. For young people serving a full-time custodial sentence, this release planning begins early and at least 8 weeks prior to release, where possible. However, YJNSW is not mandated, nor resourced, to deliver nor oversee reintegration of young people without a supervised mandate. For thorough and effective release planning for all young people, a whole of government, wrap around response is required. YJNSW caseworkers refer young people into voluntary reintegration programs such as the Casework Support Program that is delivered by NGOs and ACCOs, that provide a range of practical supports.

YJNSW looks forward to continued engagement with the Audit Office as we strengthen our support for Aboriginal young people's pathways to desistance, rehabilitation, healing and wellbeing.

Sincerely



**Kelly-Anne Stewart**  
Executive Director, Youth Justice NSW

---

# Appendix 5 – About the audit

## Audit objective

This audit assessed whether Corrective Services NSW (Corrective Services) and Youth Justice NSW (Youth Justice) effectively and efficiently provide supports, programs and opportunities for the rehabilitation of First Nations peoples in custody and post-release to reduce reoffending.

This audit reviewed in-detail the period between January 2019 and December 2024. However, in concluding against the audit objective, the agencies' actions and the outcomes achieved have been considered up to December 2025.

## Audit criteria

We addressed the audit objective using the following audit criteria:

1. Have agencies established governance and accountability arrangements to ensure First Nations peoples are effectively supported in custody, upon and post-release? This includes whether both agencies have:
  - a) management reporting and performance dashboards to report on service activity and outcomes, key performance indicators and performance targets
  - b) clear delineation and assignment of roles, responsibilities and delegations
  - c) processes and commitment to address and track findings and recommendations from relevant previous Inquiries and Reports.
2. Do agencies effectively plan and design relevant supports, programs and opportunities for rehabilitation of First Nations peoples in custody, upon and post-release? This includes whether both agencies:
  - a) have quality information to understand the factors that lead to incarceration and reoffending
  - b) use feedback from stakeholders to understand the circumstances and needs of First Nations peoples in custody, upon and post-release
  - c) effectively use data, research and evaluations to plan, design and resource supports and programs.
3. Do agencies effectively and efficiently deliver and continuously improve relevant supports, programs and opportunities for rehabilitation of First Nations peoples in custody, upon and post-release? This includes whether both agencies:
  - a) ensure relevant programs are delivered efficiently and effectively
  - b) coordinate with other relevant stakeholders to increase the effectiveness of services delivered on and post-release
  - c) use evidence and data to inform continuous service and system improvements
  - d) can demonstrate reoffending rates are decreasing over time.

## Audit scope and focus

In assessing the criteria, we checked the following aspects:

- governance frameworks aligned to relevant policy and legislation

- key governance processes including decision-making, accountability frameworks, risks and escalation management, partnerships established with other government or non-government agencies, progress reporting and evaluations
- oversight of relevant targets in Closing the Gap
- effectiveness of supports and programs, including, processes for design and continuous improvement
- efficiency of supports and programs in terms of access, availability and funding.

## Audit exclusions

The audit did not examine:

- the functions provided by the NSW Police Force
- the services provided by other government or non-government agencies post-release
- the Court System
- the merits of Government policy objectives

An upcoming audit, [Use of prevention and diversionary measures to address the over-representation of First Nations peoples entering custody](#) will examine the role of the NSW Police Force in preventing and diverting First Nations peoples from custody. We have commented on this topic within this report where it affects our findings or to provide context.

## Audit approach

Our procedures included:

1. Interviewing
  - staff from Corrective Services and Youth Justice, including Correctional and Youth Justice Centre staff
  - First Nations governance groups, organisations and community stakeholders
  - relevant government and non-government organisations.
2. Fieldwork visits to Correctional and Youth Justice Centres
3. Examining
  - a) publicly available documents and data
  - b) documents and data provided by the audited agencies.

The audit approach was complemented by quality assurance processes within the Audit Office to ensure compliance with professional standards.

## Audit methodology

Our performance audit methodology is designed to satisfy Australian Auditing Standard ASAE 3500 Performance Engagements and other professional standards. The standards require the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective. Our processes have also been designed to comply with requirements specified in the *Government Sector Audit Act 1983* and the *Local Government Act 1993*.

## Acknowledgements

We gratefully acknowledge the cooperation and assistance provided by the audited agencies, Corrective Services NSW and Youth Justice NSW.

## Audit cost

The cost of the audit was approximately \$800,000.

---

# Appendix 6 – Performance auditing

## What are performance audits?

Performance audits assess whether the activities of state or local government entities are being carried out effectively, economically, efficiently and in compliance with relevant laws.

The activities examined by a performance audit may include a government program, all or part of an audited entity, or more than one entity. A performance audit can also consider particular issues that affect the whole public sector and/or the whole local government sector. They cannot question the merits of government policy objectives.

The Auditor-General's mandate to undertake audits is set out in the *Government Sector Audit Act 1983* for state government entities, and in the *Local Government Act 1993* for local government entities. This mandate includes audit of non-government sector entities where these entities have received money or other resources (whether directly or indirectly) from, or on behalf of, a government entity for a particular purpose (follow-the-dollar).

## Why do we conduct performance audits?

Performance audits provide independent assurance to the NSW Parliament and the public.

Through their recommendations, performance audits seek to improve the value for money the community receives from government services.

Performance audits are selected at the discretion of the Auditor-General who seeks input from parliamentarians, state and local government entities, other interested stakeholders and Audit Office research.

## How are performance audits selected?

When selecting and scoping topics, we aim to choose topics that reflect the interests of Parliament in holding the government to account. Performance audits are selected at the discretion of the Auditor-General based on our own research, suggestions from the public, and in consultation with parliamentarians, agency heads and key government stakeholders. Our 3-year performance audit program is published on the website and is reviewed annually to ensure it continues to address significant issues of interest to Parliament, aligns with government priorities and reflects contemporary thinking on public sector management. Our program is sufficiently flexible to allow us to respond readily to any emerging issues.

## What happens during the phases of a performance audit?

Performance audits have 3 key phases: planning, fieldwork and report writing.

During the planning phase, the audit team develops an understanding of the audit topic and responsible entities and defines the objective and scope of the audit.

The planning phase also identifies the audit criteria. These are standards of performance against which the audited entity, program or activities are assessed. Criteria may be based on relevant legislation, internal policies and procedures, industry standards, best practice, government targets, benchmarks or published guidelines.

During the fieldwork phase, audit teams will require access to books, records or any documentation deemed necessary in the conduct of the audit, including confidential information that is either Cabinet information within the meaning of the *Government Information (Public Access) Act 2009* or information that could be subject to a claim of privilege by the State or a public official in a court of law. Confidential information will not be disclosed, unless authorised by the Auditor-General.

At the completion of fieldwork, the audit team meets with management representatives to discuss all significant matters arising from the audit. Following this, a draft performance audit report is prepared.

The audit team then meets with management representatives to check that facts presented in the draft report are accurate and to seek input into developing practical recommendations on areas of improvement.

A final report is then provided to the accountable authority of the audited entity(ies), which will be invited to formally respond to the report. If the audit includes a follow-the-dollar component, the final report will also be provided to the governing body of the relevant entity. The report presented to the NSW Parliament includes any response from the accountable authority of the audited entity. The relevant Minister and the Treasurer are also provided with a copy of the final report for state government entities. For local government entities, the Secretary of the Department of Planning and Environment, the Minister for Local Government and other responsible Ministers will also be provided with a copy of the report. In performance audits that involve multiple entities, there may be responses from more than one audited entity or from a nominated coordinating entity.

## **Who checks to see if recommendations have been implemented?**

After the report is presented to the NSW Parliament, it is usual for the entity's Audit and Risk Committee / Audit Risk and Improvement Committee to monitor progress with the implementation of recommendations.

In addition, it is the practice of NSW Parliament's Public Accounts Committee to conduct reviews or hold inquiries into matters raised in performance audit reports. The reviews and inquiries are usually held 12 months after the report received by the NSW Parliament. These reports are available on the NSW Parliament website.

## **Who audits the auditors?**

Our performance audits are subject to internal and external quality reviews against relevant Australian standards.

The Public Accounts Committee appoints an independent reviewer to report on compliance with auditing practices and standards every 4 years. The reviewer's report is presented to the NSW Parliament and available on its website.

Periodic peer reviews by other Audit Offices test our activities against relevant standards and better practice.

Each audit is subject to internal review prior to its release.

## **Who pays for performance audits?**

No fee is charged to entities for performance audits. Our performance audit services are funded by the NSW Parliament.

## **Further information and copies of reports**

For further information, including copies of performance audit reports and a list of audits currently in-progress, please see our website [www.audit.nsw.gov.au](http://www.audit.nsw.gov.au) or contact us on 9275 7100.

## OUR VISION

Our insights inform and challenge government to improve outcomes for citizens.

## OUR PURPOSE

To help Parliament hold government accountable for its use of public resources.

## OUR VALUES

Pride in purpose  
Curious and open-minded  
Valuing people  
Contagious integrity  
Courage (even when it's uncomfortable)

## ABOUT THE COVER IMAGE - TRANSFORMATION AND NEW PATHWAYS BY LANI BALZAN

This artwork represents the ongoing transformation of the justice system through truth, reflection and shared responsibility. The central green pathway symbolises journey and change, reflecting a justice system shaped by history and moving toward a more respectful, accountable and culturally informed future. Its gentle curves acknowledge that meaningful reform is ongoing and requires listening, care and commitment.

Meeting places surrounding the pathway represent Aboriginal people, communities and institutions coming together through dialogue and partnership. Layered patterns and dot work reflect knowledge, lived experience and connection to Country, grounding reform in understanding the past while creating space for new ways forward. Earthy ochres honour culture and Country, while greens represent renewal, healing and growth. Together, the artwork reflects the Closing the Gap Priority Reform of Transforming Government Organisations, guided by Aboriginal knowledge toward a fairer and more equitable justice system.



**Audit Office of New South Wales**

Level 19, Darling Park Tower 2  
201 Sussex Street  
Sydney NSW 2000 Australia

t +61 2 9275 7100

mail@audit.nsw.gov.au

Office hours: 8.30 am–5.00 pm

---

*audit.nsw.gov.au*