

My name is Kim Loveday and I am the Chair of the Prison Officers Vocational Branch (the Union representing non-commissioned Prison Officers) at Long Bay Correctional Complex. This is a part of the Public Service Association of NSW. I have to issue a disclaimer that I am here in that capacity, and NOT as a representative of the Department of Corrective Services. Therefore the comment that I am making today is my own, and does not necessarily reflect the opinion of the Department.

I'd like to begin by saying that it is morally repugnant that the Government permit private corporations to profit from the state-ordered infliction of punishment. As an individual citizen of this state I agree with the position of the union that the administrators of prisons should be accountable to the Government, not to shareholders in a profit driven company. It is a conflict of interest for private companies to be trusted to provide rehabilitation services - it is logical that the more people that are in gaol, the more business they will be able to drum up, possibly by tendering for additional gaols, and therefore the more profit they will make. This is profit which will go overseas - the companies who submitted expressions of interest to tender, and were subsequently invited to tender, have foreign parents. Given the current Global Financial Crisis, the decision of the Government to send Australian dollars offshore is particularly unwise. Contrary to popular belief, though, the position of the union against privatisation is NOT just about jobs.

Morally, the incarceration of offenders should remain a function of the state, regardless of cost. It can be argued that private companies running prisons are faced with a conflict of interest, being that it is NOT in their interest to provide rehabilitation programs and services to offenders to help them break the cycle of reoffending and lower recidivism rates. Currently, Government –run gaols offer programs for offenders to gain workplace skills that will assist them in gaining employment on release, and provide intensive psychological treatment, and educational assistance, for issues that contribute to offending behaviour.

Government gaols provide services to offenders that translate into services to the community. Most offenders are eventually released back into the community – only a very small percent are imprisoned for life. Government gaols aim to release them in a better state than when they came in, contributing to safer communities for us all by addressing the issues which contributed to the offending behaviour.

The Prison Officers union, and the PSA, acknowledge the need for reform within Corrective Services. You may have heard of the reforms referred to as “the Way Forward”. The PSA has already successfully negotiated packages for Commissioned Officers across the state, and the operation of three Correctional Centres under the Way forward principles. These are Dillwynia, a womens prison

at Windsor, Wellington, and the Mid North Coast Correctional Centre near Kempsey.

The cost per inmate per day to operate Kempsey Gaol is actually cheaper than the cost of running Junee, the only privately operated gaol in NSW at the moment.

Using this example we can see that selling off prisons is not the answer to the problems that Corrective Services, or indeed the State Government are experiencing. I believe that the Government can find ways to reduce expenditure within the Department of Corrective Services, largely by holding Senior Management of the Department more accountable for the decisions made relating to budget expenditure; by re-introducing oversight bodies that have previously been removed to promote accountability and transparency; and by reducing a disproportionately top-heavy management structure, which can only be described as morbidly obese.

Substantial savings can be made by trimming the fat off the meat, so to speak. I personally can cite several examples of waste, as could many other ground level staff, if given the opportunity.

You may wonder why staff do not readily put these suggestions forward, and my answer to that question is undoubtedly from fear of retribution from Senior Managers within the Department. Unions acknowledge that waste occurs within this Department, however that waste is NOT caused by officers 'roting' overtime, as has been suggested in the press. In fact, we have seen a marked increase in offender numbers in the last ten years, without an increase in frontline staff, meaning that there simply are not enough staff to open Correctional Centres without incurring overtime.

For example, at Long Bay we have recently opened two wings each housing 150 offenders, needing approximately 70 more full time custodial staff to operate. These wings also need more nursing staff, education providers, welfare workers, psychologists and drug and alcohol workers. The Department is currently calling staff in on overtime instead of employing more full time staff, as the unions have requested. Commissioner Woodham would be able to hear these suggestions direct from union delegates if he were to meet with them at the biannual Delegates to Management meetings, which he has not attended for several years.

There is an abundance of literature available both for and against privatisation, yet there is NO real evidence that privatisation is cheaper. Pro-privatisation articles which present statistics omit the methodology behind the data collection, meaning we are not always comparing apples with apples. In a purely Australian context, there is little available material, even when utilising Freedom of Information, so we have to rely on examples from overseas where sometimes

their entire legal system is different. This can include their prisoner demographics, their prison infrastructure, and the way in which prison officials are elected or appointed.

For example, I think it is Arizona in the USA has a prison administrator who has been elected repeatedly, that accommodates prisoners in tents and puts them to work on chain gangs. If the current Government tendency towards looking only at "cost reduction" and not at "service provision" continues, perhaps we too will end up housing prisoners in tents and putting them to work on chain gangs.

Clearly, this is not an acceptable option. This is not the kind of community the citizens of NSW want to live in.

The argument that a private company may be able to provide services cheaper requires careful examination and public debate, not a knee-jerk reaction by the Government to privatise. Projected costs and savings are exactly that, projected, and usually only projected for the imminent future, not long term. If the private corporation blows their budget, the state will no doubt have a duty of care to the prisoners to either re-assume control over the prison, or inject cash to prop the private corporations up. The real issue that needs to be examined, and compared, is not the savings, but what the long term COSTS to the community will be.

"Commercial in Confidence" clauses in private contracts inhibit the accountability of private companies and severely limit Freedom of Information. Both Government and privately run institutions should be operating in a way which is transparent, therefore allowing public scrutiny. Currently, privately operated centres in Australia are not transparent or accountable to the extent required for informed academic debate – they hide their shortcomings, their profits, and how exactly the money provided by the taxpayers is spent behind the concept of commercial sensitivity.

Sadly, however, Corrective Services already has one of the highest rates of rejection of requests to provide information under the Freedom of Information Act, of any Government Department. Given the removal of several prison oversight bodies to monitor the State services, it can only be concluded that the monitoring of any future private prisons will be even less transparent and less accountable than State prisons.

Also of concern, is that the operation of private prisons allows the Government to shirk their responsibilities by putting distance between themselves and the prisoners, the Government (or the Department of Corrective Services, if charged with overseeing the private operations) can apportion blame to the private providers if (and when) things go wrong, and dodge their responsibility. The deprivation of liberty of a citizen of the State is a serious responsibility and should be treated accordingly.

If the private management of Immigration Detention Centres are anything to go by, Australia is inexperienced in awarding contracts for State services, meaning that it can be more expensive in the long term, particularly if the government has to take the gaols back from the private companies. This is compounded by infrastructure issues, for example if a gaol is burnt to the ground by rioting inmates, who pays for it to be rebuilt, refitted, and refurnished? And where are those inmates to be housed in the meantime? In most private gaols the Government is still responsible for associated costs including power, water, transportation, and in some cases where the prison has not been purpose build by the private provider, building maintenance. Regarding the proposed privatisation of Parklea Correctional Centre, and the Court Escort Security Unit, who is responsible for what exactly? Due to Commercial-in-confidence considerations, we may never know.

All of the big players in private prison management have had appalling track records, covered up by frequent name changes. Not a single one of these corporations is of a standard we should even be considering for NSW. Again, think of the debacles coming out of Immigration Detention Centres and the egg on the Federal Government's faces over these issues. This could potentially be egg on the current State Government's faces in the near future – yet another scandal to add to the States operation under the Labor Government.

We should all be concerned at the Governments general preparedness to follow America's lead on this privatisation issue. I do not believe that America has the best prisons in the world, so why is the Government looking at their prison operation models? I think it is safe to say that the citizens of NSW do not want to end up living in the kind of litigious environment we see in America.

One has to wonder why the Department of Corrective Services was not invited to submit to tender for the States gaols, either under the current model of management of these gaols, or under the proposed Way Forward models. It could be argued that the proposed privatisation of Prison services in NSW is merely a union busting exercise. The "savings" that Mr Woodham indicated the Department would make (blacked out in the First Hearing Transcript, no doubt for "commercially sensitive" reasons) are a pittance when compared with the overall Corrective Services Budget. This amount could easily be saved in the public sector by trimming the fat off the morbidly obese management structure, or by outsourcing some of the many non-frontline aspects of the department, for example Information Technology and Human Resources. I would anticipate that vast savings could also occur if the Head Office building, located in prime real estate area in the CBD, were moved to a regional area such as Goulburn, where rent is substantially cheaper, as was planned some time ago by the Department.

Mr Woodham alleges that Parklea Correctional Centre was selected for reasons including the position of the union at that centre, yet I believe the unions themselves, if given the opportunity to tender, could demonstrate superior services over private companies at a comparable cost. The Departments lack of consultation with the unions not only at Parklea, but at a state level, means that the union members' ideas for savings have effectively not been heard. It is common sense that the Departments Way Forward model for each prison should be submitted for consideration alongside the private tenders.

This has occurred at Strangeways Prison, Manchester, in the United Kingdom. Here, the public service successfully won the tender for operation of the prison, reducing operational costs without a reduction in service delivery. This may be achievable here in NSW, but it will certainly not occur if the Department has no registered interest in retaining Parklea Correctional Centre, and the Court Escort Security Unit which has also been earmarked for privatisation

In conclusion, I would like to again state that the privatisation of prison services is morally wrong. Allowing private corporations, who are driven by returning profits for shareholders, to derive these profits out of the misfortune of others, is nothing short of reprehensible. Savings can be made in the operation of public prison systems if the Commissioner and the Minister sit down with the Unions and listen to what we have to say.

Thankyou for your attention.