

Prisoner Costs

The table below shows that in New South Wales the recurrent cost per day to keep a prisoner was above the national average. The recurrent cost per day to manage a person serving a community corrections order was below the national average.

	NSW Rate per Prisoner/ Offender per day \$	National Rate per Prisoner/ Offender per day \$	NSW Ranking 2002-03	NSW Ranking 2001-02
Open prisons (including periodic detention)	152.6	143.7	2/7*	2/7*
Secure prisons	180.4	159.9	3/7*	3/7*
All prisons	167.4	159.4	3/8	3/8
Community corrections	8.6	9.7	6/8	7/8

*Information not available for every jurisdiction

Source: Productivity Commission's *Report on Government Services 2004*

The figures include the cost of offender containment with rehabilitation, reparation and prisoner transport. The costs are adjusted to eliminate jurisdictional differences.

Departmental figures indicate that the estimated daily net cost per prisoner in the State-managed correctional centres in 2003-04 ranged from \$131.19 for the basic minimum-security section of St Heliers Correctional Centre to \$454.43 for the Special Purpose Centre at Long Bay Correctional Complex. The average net cost per prisoner per day overall was \$187.80. The increase in the average cost from 2002-03 was \$0.35 or 0.18 per cent, well below increases in the Consumer Price Index.

Over the year, the privately operated correctional centre at Junee operated at 96.9 per cent (95.9 per cent in 2002-03) of its capacity. The cost to the Department was \$22.7 million (\$22.9 million) which consisted of a management fee of \$21.5 million (\$21.0 million) payable to GEO Group Australia Pty Ltd and \$1.2 million (\$1.9 million) in other direct and indirect costs. The management fee is based on providing accommodation for 750 prisoners. The estimated annual net cost per prisoner to the Department for Junee was \$33,580 (\$34,145 in 2002-03). The Department has advised us that this cost cannot be readily compared to its weighted average cost for reasons such as:

- the Department's maximum security facilities have higher operating costs than for medium/minimum security facilities like Junee
- the Department's female prisoner facilities cater for the special needs of prisoners, and have a higher cost structure than male only facilities like Junee
- the Department's correctional centres are generally older and not as cost efficient as newer correctional centres.

We believe that the Department should calculate its own costs on a comparable basis (eg security level, gender) to Junee to allow an assessment of the relative costs of private vs public provision.

The Department is developing an activity based costing system. This system should facilitate better comparisons between public and private service providers.