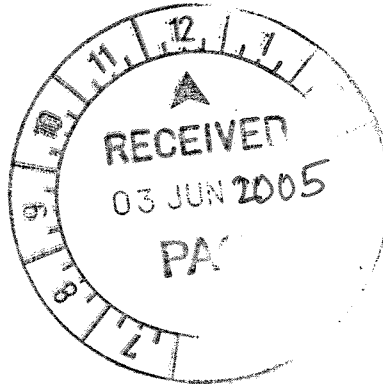




New South Wales
TREASURY

Mr Mat Brown MP
Chairman
Public Accounts Committee
Parliament House
Macquarie Street
SYDNEY NSW 2000



Contact: Paul McDonough
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Our Reference: M80566
Your Reference: PAC254

1 JUN 2005

Dear Mr Brown

Inquiry into Value for Money from New South Wales Correctional Centres

I refer to your letter of 8 April 2005 inviting the Treasurer to make a submission to the Public Accounts Committee into value for money from New South Wales correctional centres.

The NSW Treasury is continuing to work with the Department of Corrective Services to improve the cost effective performance of publicly operated correctional centres in New South Wales. I note that the terms of reference for the enquiry include comparison of the cost of corrective services provided by public correctional centres under the Way Forward program with the costs of a private operator.

The Way Forward program is a complete workplace reform package which will improve cost effectiveness. It will also strengthen accountability of staff, inmate supervision, staff safety and security. I understand that the Department of Corrective Services will provide the Committee with details concerning the reform package and its cost effectiveness when compared with the State's only privately operated correctional centre at Junee.


At this stage, the Workplace Reform Program has been implemented at the Mid North Coast and Dillwynia Correctional Centres and the Kariong Juvenile Detention Centre. Both the Mid North Coast and Dillwynia Correctional Centres are new correctional facilities which have been operational for less than 12 months and have only recently or are yet to reach full operating capacity. The operation of Kariong Juvenile Detention Centre has also only been under the control of the Department of Corrective Services since November 2004.

Preliminary indications are that the abovementioned centres are operating in a cost effective manner. However, as these are only new centres, a more informed evaluation of the success of the reforms might be more appropriately undertaken after a full year of activity at normal operating capacity.

The Department of Corrective Services is currently negotiating with relevant stakeholders concerning the extension of workplace reforms into the older established correctional centres. The full potential for improvements in value for money to be obtained by the correctional system from the Way Forward program will not be revealed until finalisation of the current negotiations.

Thank you for the opportunity to provide input to this enquiry and I look forward with interest to studying the outcomes.

Yours faithfully


for Secretary