



TRIM File No D12/643986

21 December 2012

Ms Miriam Cullen
Principal Council Officer
Select Committee on the Closure or Downsizing of
Corrective Services NSW facilities
Legislative Council
Parliament House
Macquarie House
SYDNEY NSW 2000

Dear Ms Cullen

Inquiry into the closure or downsizing of Corrective Services NSW facilities

I refer to your letter dated 30 November 2012 and provide responses to the questions taken on notice and the supplementary questions following the Inquiry into the closure or downsizing of Corrective Services NSW facilities on 23 November 2012.

Yours sincerely

PETER SEVERIN
COMMISSIONER

**RESPONSES TO TRANSCRIPT QUESTIONS TAKEN ON NOTICE FROM THE
SELECT COMMITTEE ON THE CLOSURE OR DOWNSIZING OF CORRECTIVE
SERVICES NSW FACILITIES**

KPMG Involvement

CHAIR: You mentioned KPMG being involved. In what way were they involved?

Mr SCHOLES: KPMG were commissioned to provide a cost-benefit analysis to track whether or not there would be benefits realisation and that the closures would in fact align with the Treasury required savings.

CHAIR: I am happy to note that the Hon. Trevor Khan has asked when they were commissioned.

The Hon. MICK VEITCH: The Hon. Trevor Khan is not a participating member. He can sit there but he cannot say anything.

CHAIR: I am aware of that, but I am happy to take the suggestion of when they were commissioned. It is a fair question.

Mr SCHOLES: It was in 2011 but I need to take on notice the month.

Answer:

I am advised the report is dated July 2011.

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SELECT COMMITTEE ON THE CLOSURE OR DOWNSIZING OF CORRECTIVE
SERVICES NSW FACILITIES**

**Analysis of community impact of the downsizing of Grafton Correctional
Centre**

CHAIR: Commissioner, likely community impact is listed as one of those dot points. For example, the impact on families with the movement of prisoners from Grafton to Cessnock—something like 500 kilometres away. Can you elucidate on the sort of information you would have received in that regard, especially in terms of economics, the loss of students from schools, hospital staff and those sorts of things.

Mr SEVERIN: I am not aware of any detailed analyses but I will take the question on notice. I am happy to provide that information.

Answer:

CSNSW was aware that the Grafton community would be affected by position deletions from Grafton Correctional Centre. However, it was envisaged that 38 staff members would be retained at the facility, and that other staff would have a choice of either voluntary redundancy or redeployment to another location. It was anticipated that a number of staff from Grafton would not wish to transfer from Grafton and would seek voluntary redundancy to remain in their community. It is noted that staff who accepted voluntary redundancy and remained in the Grafton area received compensation in accordance with the Government's Managing Excess Employees policy.

There were 114 staff members at Grafton Correctional Centre before the downsizing of the facility took place. Of these staff, 38 staff members were retained at the facility; 42 accepted voluntary redundancy (36 from Grafton Correctional Centre and 6 from other correctional centres to enable transfers to other locations). A total of 34 staff relocated to other facilities including 6 staff where voluntary redundancy was provided at other locations. One (1) staff member has accepted a placement in another Government Department in Grafton and 5 staff are awaiting placement. As mentioned above, a total of 34 staff members have departed Grafton.

The 2011 Census data from the Australian Bureau of Statistics indicates that Grafton had a population of 10,037 residents with an average 2.32 persons per household living in 4,440 premises. CSNSW notes that a total of 34 staff relocating from Grafton Correctional Centre and living in households averaging 2.32 persons, is equivalent to 79 residents living in 34 premises who have left the area.

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Tabling of KPMG assessment

CHAIR: Would it be possible to table the KPMG assessment?

Mr SEVERIN: I will take that on notice. I need to make sure that the document is not Cabinet-in-confidence; otherwise I am quite happy to table it.

Answer:

I am advised the KPMG report is Cabinet-in-confidence.

**RESPONSES TO TRANSCRIPT QUESTIONS TAKEN ON NOTICE FROM THE
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Breakdown of maintenance budget for Kirkconnell Correctional Centre

Mr SEVERIN: My understanding is that the maintenance costs were one-off costs in relation to going through the mothballing exercise because we obviously want to preserve that asset in case we need it to operate or the Government needs it for whatever purpose. Particularly from our interests it is in case we need it in the future. You need to actually bring it into a state where you can have it safely sitting there without having an issue. For example, if somebody intrudes we do not want people to get caught in razor wire or inadvertently walk into a cell and the door shuts behind them and nobody is there to know that the people are there. They are just some considerations. They were one-off maintenance cost. It is my understanding that the ongoing maintenance cost is not in that region. There is no plan at the moment to recommission Kirkconnell, but I understand that the difference between Berrima and Parramatta and Kirkconnell is that Kirkconnell is a facility that we will continue to own and we will continue to maintain in order to have it available if we need it in the future.

The Hon. MICK VEITCH: How long will it remain mothballed?

Mr SEVERIN: Until the decision has to be taken to reorganise it again or some other decision has to be taken. There is no finite date at this point in time for it to be discontinued or to be used for any other purpose.

The Hon. MICK VEITCH: You are saying that the \$475,000 stated in your submission is a one off?

Mr SEVERIN: There were one-off elements in it. That is my understanding. Then of course there are ongoing maintenance costs, absolutely.

The Hon. MICK VEITCH: What about on ground maintenance? For a mothballed facility that does not happen; we can let the grass grow and things like that. The submission says that the \$475,000 is for the provision of security only. I now take it that is not correct?

Mr SCHOLES: The ground maintenance components are actually managed by Bathurst, which is about 20 minutes down the road. The ground maintenance overseer comes up. Can I just answer the question you asked earlier in terms of when it will be open. It is actually driven by the inmate numbers. As the Commissioner said with the drop of a thousand-odd inmates—we do need to have a 5 to 10 per cent inmate buffer in case inmate numbers rise because it does fluctuate, particularly around Christmastime and the like. If the numbers go up it is a more cost-efficient process to have a system available than to try to build one. The procurement time or a long time

for a jail build. So Kirkconnell is ideally placed between those other two larger centres if we need to revert to open another facility.

The Hon. MICK VEITCH: Can you take this on notice? I would like a breakdown of the \$475,000 because the submission clearly states "provision of security only". We have just found out that that is not right. Can I get a breakdown, including the one-off costs and everything?

Answer:

The following table provides the breakdown of the 2012/13 maintenance budget of \$475,000 for Kirkconnell Correctional Centre.

Item	Description	Amount
ATMAAC International*	Provision of security services for 24 hours per day seven days per week at \$18,444 per fortnight.	\$471,000
Maintenance	Maintenance incidentals	\$3,256
Total		\$474,256

* ATMAAC International ceased providing its services under the contract at midnight on 2 September 2012. Triple O Security Pty Limited now provides security patrols for Kirkconnell Correctional Centre.

**RESPONSES TO TRANSCRIPT QUESTIONS TAKEN ON NOTICE FROM THE
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**Analysis of industrial relations, workers compensation and related
issues**

The Hon. MELINDA PAVEY: In the many submissions from the community and even from the local member there is talk of a culture that existed at Grafton jail. We have heard a lot of evidence that the age of the jail very much led to the high costs of running the facility. Grafton was caught in the vortex of a fall of 1,000 in the prison population and with the age of the facility the costs per day were very expensive. Has there been any analysis in terms of industrial relations and the cost of staffing as well as the age of the building, in terms of how overtime, workers compensation or other issues affected the cost of running the jail, because of the culture that is spoken about in many of the submissions?

Mr SEVERIN: I do not have detailed information on that. I am happy to take it on notice and provide you with subsequent information. I would assume that those figures would have been analysed, particularly workers compensation claims and other matters that weigh in. I personally really have only had the opportunity to assess the rationale from an operational perspective because obviously I started here when whatever the issues might have been that led to it in the context of your question were finished, and other than trying to get anecdotal stories—and of course there are many stories around any prison—I could not really objectively validate that. I am happy to take on notice your question in relation to what other factors might have been taken into consideration and come back to the Committee with that information in due course.

Answer:

Corrective Services NSW did not take into consideration any industrial relations issues or workers compensation costs when downsizing Grafton Correctional Centre.

The overall downsizing of Grafton Correctional Centre relates directly to the direct cost per inmate per day, which in 2011/12 was \$203.24, and economies of scale regarding the staff to inmate ratio, which was 2:70 compared to 4:25 for the Mid North Coast Correctional Centre at Kempsey.

The primary factors behind the high cost of the Correctional Centre was the age of the facility and the physical footprint of the buildings, which required higher staffing levels than its modern contemporary facilities.

**RESPONSES TO TRANSCRIPT QUESTIONS TAKEN ON NOTICE FROM THE
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Capital expenditure Budget

The Hon. ROBERT BORSAK: Obviously you have a plan over time to move through and replace older facilities with newer facilities. If you can get that capital expenditure in place you can save your operating costs in the long term. Have you a capital budget for the next four years with that program locked in? If you have, can we get it?

Mr SEVERIN: We have a capital budget but there is no major infrastructure proposal in relation to new prison infrastructure. We would be happy to provide that capital works budget to you, but I would have to take it on notice though. But there is no plan at this point in time to construct a new prison. The last of those prisons that was part of a previous government's decision to construct was the Cessnock expansion. It is quite a sizeable capital works budget which is used for minor works projects—upkeep, maintenance and some internal expansion.

Answer:

The following information shows forecasts for the 2012/13, 2013/14, 2014/15, and 2015/16 financial years.

Capital Works	2012-13	2013-14	2014-15	2015-16
	Estimates \$,000	Estimates \$,000	Estimates \$,000	Estimates \$,000
Inmate Escort Vehicles 2	1,213	1,140		
IT Infrastructure Strategic Plan St 1 (REAL Business Case)	9,675			
1,000 Inmate Beds	1,365			
Reducing Recidivism	3,900			
Total Major Works – CSD*	16,153	1,140		
Minor works - Annual Provision - CSD (inc \$410k ICT Cut)	29,768	21,379	21,379	21,379
Office Accommodation - Annual Provision – CSD	7,000	5,000	5,000	5,000
ICT Replacement - Annual Provision	8,000	5,800	5,800	5,800
Electronic Security Infrastructure	9,000	5,000	5,000	5,000
Total, Minor Works – CSD*	53,768	37,179	37,179	37,179
Total CSD* Capital Authorisation Limits	69,921	38,319	37,179	37,179

* CSD - Corrective Services NSW Division, Department of Attorney General and Justice.

RESPONSES TO SUPPLEMENTARY QUESTIONS ON NOTICE FROM THE SELECT COMMITTEE ON THE CLOSURE OR DOWNSIZING OF CORRECTIVE SERVICES NSW FACILITIES

1. How many Voluntary Redundancies have been accepted by employees at each of the following facilities as a part of the downsizing or closure:

- a) Berrima**
- b) Kirkconnell**
- c) Parramatta**
- d) Grafton**

The following table shows the numbers of staff who accepted voluntary redundancy as a result of the correctional centre closures at Berrima, Kirkconnell, Parramatta and the downsizing of Grafton Correctional Centre.

Location	VR from closed or downsized facilities	VR to enable transfer from a closed or downsized facility*	Total
Berrima	14	12	26
Kirkconnell	9	15	24
Parramatta	20	10	30
Grafton	36	6	42
Total	79	43	122

*Voluntary Redundancy can also be offered to other staff to facilitate redeployment of employees who want to remain in Corrective Services NSW (CSNSW).

2. What is the total dollar value (ie, NOT individual information / individual employee packages) of Voluntary Redundancy payments at each of the following facilities as a part of the downsizing or closure:

- a) Berrima**
- b) Kirkconnell**
- c) Parramatta**
- d) Grafton**

The following table shows the total amounts of voluntary redundancies (including accumulated leave entitlements) paid to staff as a result of the correctional centre closures at Berrima, Kirkconnell, Parramatta and Grafton.

Location	VR from closed or downsized facilities	VR to enable transfer from a closed or downsized facility	Total
Berrima	\$1,014,866.61	\$765,788.90	\$1,780,655.51
Kirkconnell	\$601,295.16	\$990,886.14	\$1,592,181.30
Parramatta	\$1,502,252.10	\$710,231.47	\$2,212,483.57
Grafton	\$2,614,795.18	\$343,491.07	\$2,958,286.25
Total	\$5,733,209.05	\$2,810,397.58	\$8,543,606.63

3. How many Transferred Officer's (sic) Packages have been paid at each of the following facilities as a part of the downsizing or closure process:

- a) Berrima
- b) Kirkconnell
- c) Parramatta
- d) Grafton

As at 11 December 2012, the following table shows the number of staff transferring to other correctional centres who received payments as a result of the correctional centre closures at Berrima, Kirkconnell, Parramatta and the downsizing of Grafton Correctional Centre.

Location	Number
Berrima	4
Kirkconnell	2
Parramatta	7
Grafton	4
Total	17

4. What is the total dollar value (ie, NOT individual information / individual employee packages) for Transferred Officer Packages paid in relation to the downsizing or closure of the following facilities:

- a) Berrima
- b) Kirkconnell
- c) Parramatta
- d) Grafton

As at 11 December 2012, the following table shows the total amounts paid to staff transferring to other correctional centres as a result of the correctional centre closures at Berrima, Kirkconnell, Parramatta and the downsizing of Grafton Correctional Centre.

Location	Amount
Berrima	\$14,425.21
Kirkconnell	\$23,169.95
Parramatta	\$68,881.98
Grafton	\$6,731.19
Total	\$113,208.33

5. Were Management Plan Meetings conducted for each of the following facilities in the twelve month period prior to the downsizing or closure? Please state how many meetings and the dates of each meeting

- a) Berrima**
- b) Kirkconnell**
- c) Parramatta**
- d) Grafton**

- (a) I am advised that a Management Plan meeting was held at Berrima Correctional Centre on 18 February 2011.
- (b) A Management Plan for Kirkconnell Correctional Centre was approved by the General Manager in August 2011. However, this was not implemented in light of the Government's decision to close the facility.
- (c) There were no Management Plan Meetings in the 12 month period prior to the closure of Parramatta Correctional Centre.
- (d) On 22 September 2011, a Management Plan review meeting was held at Grafton Correctional Centre which saw approximately 12 positions deleted from the previous Management Plan. This was part of the reduction in staffing at all CSNSW facilities as a result of the Treasury required savings targets. Records held by CSNSW also show that a management plan meeting was held by the then Deputy Commissioner at Grafton on 23 May 2012.

I am advised that the Management Plan reviews discussed above were separate processes and unrelated to the decisions to close and downsize Corrective Services NSW facilities.

6. When were employees at the following facilities advised of the decision to downsize or close the facility

- a) Berrima**
- b) Kirkconnell**
- c) Parramatta**
- d) Grafton**

- (a) – (c) On 6 September 2011

(d) On 29 June 2012

7. Was there a meeting scheduled for the Grafton Correctional Centre's Management Plan at the time of the downsizing announcement? If so, what date was it scheduled to occur?

The Government announced its decision to downsize Grafton Correctional Centre on 29 June 2012. A meeting was held with union representatives on the same day where, among other things, the staffing under the management plan relating to Grafton Correctional Centre was discussed. On 2 July 2012, there was a further meeting with unions relating to the revised staffing proposal for Grafton.

8. Other submissions raise concern at the non-resolution of staffing issues and the managerial style employed at Grafton Correctional Centre

a) Was there a breakdown in relations between management and employees at the facility?

b) What evidence or documentation is available to support management actions in dealing with staffing issues at the facility?

c) What actions did Corrective Services NSW take to resolve relations between management and employees at the facility?

d) Did the difficult workplace environment play any role in the decision to downsize the facility?

a) I am advised that there were a number of staff associated matters at Grafton Correctional Centre. The matters were varied but mostly centred on a small group of individuals rather than staff as a whole. An unrelated independent review into staffing matters at Grafton Correctional Centre did not suggest that there was an 'irretrievable breakdown' in the relations between management and staff.

b) Documentation is generally kept by management when dealing with individual staff issues.

c) A number of matters were effectively managed at the centre level. In more serious cases, matters were referred to the appropriate region or to other divisions within CSNSW for investigation and assessment. Additionally, there were other matters that were dealt with through established grievance procedures. This is standard practice across all areas within Corrective Services NSW.

d) No.

9. Can you provide an example of a Community Consultation Plan? What are the types of matters addressed in a Community Consultation Plan?

The expression "Community Consultation Plan" is used to refer to the process by which CSNSW consults with the community following the announcement of a closure.

The correctional centre Community Consultative Committee is the appropriate forum in which community consultation takes place. The types of matters addressed and discussed in a Community Consultation Committee forum include:

- a) Advice to the community of CSNSW's proposed operational plan for change;
- b) The opportunity for the community to provide input and feedback through the community consultation committee on any matter of concern as a result of a specific proposal;
- c) Discussions on the likely impact of work performed in the community by offenders; and
- d) Opportunities to manage or limit the impact of specific proposals on the community where possible taking into account CSNSW business requirements.

Community Consultative Committees consist of key representatives from the community and are an essential part of this process. The types of matters considered by the Community Consultative Committee include the financial, economic and social impact of proposals on inmates, staff and the community.

10. What other Government departments must you work with when closing or downsizing a corrections facility?

The primary Government Departments which CSNSW consults with include the NSW Police Force, the NSW Ombudsman, Justice Health, the Department of Premier and Cabinet, NSW Treasury, other divisions within the Department of Attorney General and Justice, and the Department of Finance and Services (State Property Authority) in relation to closures.

11. Please provide the budget amounts for maintenance of Berrima and Kirkconnell for the current and 2013/14 and 2014/15 financial years. Please detail all of the budgeted maintenance items.

The following table details the budget amounts for maintenance of Berrima and Kirkconnell for the current and 2013/14 and 2014/15 financial years

Budget	2012/13 (\$)	2013/14 (\$)	2014/15 (\$)
Security - Berrima	471,000	300,000	309,000
Security - Kirkconnell	471,000	300,000	309,000
Maintenance additional – Berrima	– 3,256	0	0
Maintenance additional – Kirkconnell	– 3,256	0	0

12. Please list the dates of meetings held with Wingecarribee Shire Council to discuss the future of Berrima.

As stated in the CSNSW submission, the first community meeting to discuss the closure of Berrima Correctional Centre was held in Berrima on 22 September 2011. A representative of the local residents association and two members of the Berrima Business Houses Group, among others, were present at the meeting. Further meetings took place at Berrima on 4 October 2011 and 29 November 2011.

On 8 November 2011, senior CSNSW executive staff conducted a tour of the facility for the Wingecarribee Shire Council General Manager and Councillors and other persons. CSNSW passed on contact details of relevant State Property Authority personnel to the Community Consultative Group and Shire Council.

Participants at the tour were addressed by CSNSW Executive staff, and the process relating to the disposal, and possible future use of, the facility was explained.

As stated in the CSNSW submission, on 24 February 2012, the NSW Aboriginal Land Council lodged a claim over Crown Land occupied by the decommissioned Berrima Correctional Centre under the provisions of the *Aboriginal Land Rights Act 1983*. The land claim process has not yet been finalised.

- 13. How was employee consultation conducted prior to and after the announced closure or downsizing? Please advise for each of the following facilities**
- a) Berrima**
 - b) Kirkconnell**
 - c) Parramatta**
 - d) Grafton**

Berrima, Kirkconnell and Parramatta Correctional Centres

On 6 September 2011, the Government announced the closure of Berrima Correctional Centre, Kirkconnell Correctional Centre, and Parramatta Correctional Centres. Simultaneously staff meetings were conducted at each centre to inform and consult with affected staff. As at 8 October 2011, the centres were closed.

Immediately following the announcement, the then Commissioner of Corrective Services wrote to all staff. A number of follow up staff meetings were subsequently held at each of the locations between staff and senior management of CSNSW. Staff were advised of a number of options including voluntary redundancy and transfer to other locations to all permanent staff.

Offers of voluntary redundancy were made to staff affected by these closures and to staff who were in positions that could facilitate a swap with affected staff.

CSNSW's Human Resources (HR) Division established a shop-front at each of the centres to support staff and answer inquiries along with senior management of the each centre. The shopfronts were available to staff up until the closures were finalised.

Employee assistance staff were made available at each of the locations to provide support.

In addition, staff from the Superannuation Board attended each location to provide information and advice about superannuation.

Grafton Correctional Centre

On 29 June 2012, the Government announced the downsizing of Grafton Correctional Centre. Immediately following the announcement, the then Commissioner wrote to all staff. A number of senior staff from CSNSW met with the industrial representatives of each of the union groups to advise of the changes.

Following the announcement, the Public Service Association imposed a series of bans and limitations concerning the decision to make significant changes to the operational model of Grafton Correctional Centre. As a result, CSNSW notified the Industrial Relations Commission (IRC) of a dispute. Given the matter was subject to the IRC, CSNSW processes were suspended.

The IRC facilitated a number of conferences throughout August 2012. All matters were resolved through conciliation.

A number of meetings were held between staff and senior management of CSNSW. Staff affected by the decision were offered the opportunity to transfer to Cessnock or another NSW correctional centre or accept a voluntary redundancy.

CSNSW's HR Division established a shop-front at the centre to support staff and answer inquiries. The shopfront was available to staff until the completion of the downsize. In addition, staff from the Superannuation Board attended Grafton on two occasions to provide information and advice to staff on superannuation.

Employee assistance staff were made available at Grafton to provide support to employees.

In conjunction with the process of identifying positions for deletion, the then Commissioner invited Expressions of Interest for Voluntary Redundancy and Transfer to Other Locations from all permanent custodial and non-custodial staff in CSNSW.