

## **Inquiry into the privatisation of prisons and prison related services**

### **Reponses to questions from the Hon Amanda Fazio MLC, Committee Chair**

1. a) The prison was not built under a Public Private Partnership (PPP). Its construction was the result of a standard Government funded procurement process. Mt Gambier Prison (i.e. the land and buildings) is owned by the State and is currently operated (pursuant to a contract) by G4S Custodial Services.

b) The Department for Correctional Services (DCS) is not aware of any firmly held or widespread view (whether it be positive or negative) in the local community regarding Mt Gambier Prison being privately operated.

In general, DCS has found the local community to be supportive of the prison and the contribution it makes to the local community.

c) At this stage DCS has no plan to expand capacity at Mt Gambier Prison (MGP) through a Public Private Partnership.

2. a) Whilst the primary role of MGP is to accommodate male prisoners, female remand prisoners are occasionally held at MGP for very brief periods and generally for the purpose of attending hearings at the local District Court. They are accommodated separately from male prisoners and this can on occasions require changes to some of the management regimes for male prisoners to enable the needs of the female prisoner(s) to be met effectively and for them to be accommodated safely and separately to the male prisoners.

3. The Public Private Partnership (PPP) involves the Department for Correctional Services (DCS), Department for Families and Communities (DFC) and SA Health. The successful private sector partner(s) will design, finance, build and maintain the facilities.

The prisoners will be managed and operated by the public sector i.e. custodial Services will be provided by the public sector.

Some other services are being tested for value for money through the procurement process and subject to any final decision by Government may be provided by the private sector.

The four new facilities will include:

- a 760 cell men's prison (expandable to 940 cells) at Mobilong to replace Yatala Labour Prison;
- a 150 cell women's prison (expandable to 200 cells) at Mobilong to replace the Adelaide Women's Prison;

- Cabinet has approved that the Men's and Women's Prisons will be constructed within a single secure perimeter and share a number of common facilities (e.g. a single gatehouse) whilst keeping men and women strictly separate from each other;
- an 80 bed Pre-release Centre (expandable to 100 beds) at Cavan, which will replace the existing pre-release facility adjacent to Yatala Labour Prison;
- a 90 bed Secure Youth Training Centre at Cavan, to replace the existing facilities at Magill and Cavan; and
- a 40 bed Forensic Mental Health Centre at Mobilong to replace James Nash House at Oakden.

a) A strategy for consultation and communication with staff that may be affected by the project has commenced.

Key issues that have been raised by staff and the primary employee representative association (the PSA) to this stage include:

- travel to the new prisons at Mobilong (which is approximately eighty kilometres from the Adelaide CBD) and associated costs; and
- the availability of social infrastructure (e.g. education, health, , transport, community activities) at Mobilong or its environs for staff who may choose to re-locate to the area.

b) Consultation on issues that may affect staff is in progress and a Project Communication Plan with associated Human Resource Communications strategies is being developed.

4. Five Government agencies receive services under the South Australian Prisoner Movement and In-Court Management (SAPMICM) contract.

Those agencies are:

- the Department for Correctional Services;
- the Courts Administration Authority;
- SA Police;
- the Department of Health; and
- the Department for Families and Communities (Youth Justice).

Services provided within the contract for adult and juvenile offenders within South Australia include:

- prison to prison transfers;
- prison to court movements;
- hospital or other medical appointments;
- the supervision of offenders whilst at court and in hospital;
- and various other appointments.

a) All agencies receiving services under the SAPMICM contract have previously advised Government that the contract has been operational effective and provided value for money.

5. The three key strategic contracts currently in place in South Australia are:
- The Operation and Management of Mt Gambier Prison;
  - The South Australian Prisoner Movement and In-Court management Contract (SAPMICM); and
  - Electronic Monitoring.

G4S is the contracted service provider for all three contracts.

Re: Management and administration of contracts:

DCS oversees the management and administration of the contracts for Mt Gambier Prison and Electronic Monitoring.

The Department for Justice oversees the management and administration of the SAPMICM contract in partnership with the agencies who receive services (i.e. Department for Correctional Services, Courts Administration Authority, SA Police, Department of Health, and Department for Families and Communities).

Re: Mt Gambier Prison Contract:

Under the Mt Gambier Prison Contract, G4S is responsible for all services provided in the prison and for the day to day management and operation of the prison.

DCS maintains two employees at MGP who operate as Unit Supervisors reporting to the GSL Prison Director as part of the prison's chain of command but are also able to exercise statutory powers required to be exercised by employees of the Department pursuant to the Correctional Services Act.

It is estimated that approximately twenty five percent of the supervisor's time is spent on exercising those statutory powers.

DCS does not provide any other services at MGP.

Re: SAPICM Contract

G4S provides services under this contract as outlined in Question 4.

DCS undertakes some hospital watches and provides escorts for the highest risk prisoners

Re: Electronic Monitoring Contract

Under this contract G4S is responsible for providing and maintaining electronic monitoring equipment which is used in the supervision of offenders managed in the community.

DCS is responsible for supervising the offenders.

6. DCS has sought to ensure an integrated approach is taken with respect to the operation of contracted services.

The operations of MGP are integrated into the Department's operating chain of command and day to day accountability for services, performance and the management of issues or incidents occurs through that chain of command and in accordance with operating procedures endorsed by the Department and Crown's Contract Administrator.

From a contract performance perspective DCS ensures that its contracts are value-for-money, legislatively compliant and operationally effective through a range of accountability measures that include contract management, systems validation and auditing.

The Department employs a Contract Manager to oversee contractual issues, management reporting and financial transactions.

There are currently a number of key elements in place to facilitate probity, contract performance and achievement of objectives.

- A Strategic Planning Committee chaired by the Crown's Contract Administrator is established to monitor contractor performance and oversee any actions required. There are monthly contract administration meetings (on site) at Mount Gambier at which operational issues are resolved and performance assessed. At these meetings, the DCS General Manager and the Group 4 Director table individual reports on performance over the previous month;
- Monthly performance information statistics are collected and analysed by DCS officers;
- DCS has three people directly involved in the operation of the prison. The General Manager of the prison (is also the General Manager of Mobilong Prison) is a DCS employee and exercises the same statutory powers and delegations under the Correction Services Act as does the General Manager of any other South Australian prison. In addition there are two Unit Supervisors who are employees of DCS and participate in the contractor's operational structure while spending approximately 25 percent of their time performing DCS specific tasks including periodic audits of key activities;
- There is a system to verify delivery of the services identified in the operational specification element of the contract. The checking process is undertaken continuously by the DCS employees on site and signed off by the DCS General Manager each month. The system includes a check of samples of prisoner documentation of particular categories, including case management files;

- There is a system to verify accounts payable on a monthly basis. The system involves certification, by the DCS employees on site, of the number of prisoners accommodated (which is the basis for the major payment). The system has been subject to periodic review and checking by the Auditor-General's Office.
- A quarterly survey of prisoners and prison staff is conducted which relates to required results identified in the operational specifications in the contract;
- Prisoners have unfettered access to avenues of complaint such as the Visiting Tribunal and the Ombudsman.

Whilst the system for accountability is subject to ongoing review, it is DCS's advice that the mechanisms for accountability in place are adequate to maintain effective operations and achieve value for money.

7. A significant difference in working conditions between G4S correctional staff and that of DCS staff is that the former work 3 x 12.5 hours shifts as their standard week. The Contractor believes this offers lifestyle benefits for their staff and lowers the incidence of sick leave. This in turn may potentially reduce the reliance on overtime to cover vacant positions and subsequently lower operating costs.
8. There has been no lost time reported at Mt Gambier Prison since the contract commenced in 1995. Overall, there is very little lost time due to industrial unrest in SA Prisons.
9. a) The Contract for the Management and Operation of MGP (including the overall price) has previously been placed in the public domain. Some costing information related to pricing considered to be Commercial-In-Confidence by G4S has been excluded.  
 b) DCS' is committed to complying with Government procurement policy to ensure adequate transparency and probity.
10. G4S is responsible for perimeter security at MGP. DCS does not otherwise use private security guards for perimeter security of prisons.  
 a) Not applicable  
 b) Not applicable
11. Primary Health Care services within MGP are provided by G4S who employ Registered Nursing staff at the prison and contract General Practitioner and Dental services.

Psychiatric services are provided by the Crown. Prisoners requiring hospitalisation can be admitted to Mount Gambier Hospital or transported to Adelaide.



## Inquiry into the privatisation of prisons and prison-related services

Questions on notice, 27 March 2009

### Questions from the Hon Amanda Fazio MLC, Committee Chair

1. The prison at Mt Gambier was the first in Australia to be privately operated.
  - a. Was the prison built under a private public partnership, or is it owned by the SA Government but managed by GSL?
  - b. Are you aware of the views of Mt Gambier residents about the prison being privately run? Are they generally positive about it?
  - c. Is the Mt Gambier prison expansion being built under a public private partnership?
2. We understand that Mt Gambier prison caters for female remandees. An issue that has been raised during this inquiry is the special needs of female prisoners, which makes female prisons unsuitable for privatisation.
  - a. What issues does the inclusion of female remandees at Mt Gambier raise? How have they been addressed?
3. Can you please outline for the Committee what falls under the 'New Prisons and Secure Facilities' Project?
  - a. What concerns have been raised by Departmental staff in relation to this project?
  - b. How has the Department addressed these concerns?
4. Can you please explain the services provided under the prisoner movement and in-court management services contract?
  - a. What has been the response of the Sheriff's Department and Police Force to privatisation of roles previously undertaken by those agencies?
5. What role does DCS have in relation to the management or provision of services under these contracts?
6. Can you please outline the accountability mechanisms for the Mt Gambier prison operators? How do you believe these accountability mechanisms could be strengthened?
7. A key criticism raised during the current debate into privatisation in NSW is the differences in conditions of employment between prison officers employed in the public vs private prisons.
  - a. Are you able to provide any comments on the differences between employment conditions at the private facility at Mt Gambier and public centres, for example, the use of casual prison officers or reliance on overtime?

8. Is there a difference in the amount of days lost to industrial action at Mt Gambier CC and publicly run prisons?
9. Some Australian jurisdictions have made their private prison contracts available to the public.
  - a. Is the private prison contract in SA still "commercial-in-confidence"?
  - b. Do you believe that there is benefit to making these contracts publicly available?
10. Are private security guards currently used in perimeter security of prisons?
  - a. If so, are there any differences in the service provision between private and public security guards?
  - b. If not, what do you foresee as potential issues that may arise from the use of private security guards?
11. Are health services at Mt Gambier provided by GSL? The Committee has heard that it is important to have independence between the agencies responsible for delivering and operating prisons as opposed to delivering health services for the prisoners within those systems?
  - a. Would you like to comment on this view?