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facsimile cover sheet

to: NSW LEGISLATIVE COUNCIL STANDING COMMITTEE NO 3
of Attention : MS RACHEL SIMPSON

fax no: 92302981

from: PETER DODD, SOLICITOR HEALTH POLICY & ADVOCACY

date: 8.5.09

pages to follow: 8

subject:

- 1/ letter in response to Questions on Notice from Committee Chair
- 2/ Corrected transcript.

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8 May 2009

The Director
NSW Legislative Council General Purpose Standing Committee No 3
Parliament House, Macquarie Street
SYDNEY NSW 2000



Our Ref: PRO09-6007

Dear Ms Simpson

Inquiry into the privatisation of prisons and prison related services

This letter is in response to the Questions on Notice of 27 March 2009 from the Hon Amanda Fazio, MLC, Committee Chair.

PIAC's responses to the questions asked 1-8 are as follows:

1. PIAC does believe that there is an inherent conflict between the broader goals of public accountability and the profit imperatives of private sector providers (see below). Any advantages that might be found in a privatised prison would seem to be short term. In the long run, PIAC finds it difficult to see any positive benefit in private prisons.

2. PIAC's submission did not touch on comparative costs issues. PIAC's position is that any short term cost benefit is outweighed by short to medium term problems regarding diminution of rehabilitative programs and the decrease in accountability.

3. PIAC is not suggesting that privatised prison services can never deliver appropriate programs that comply with the principles set out in our submission. PIAC remains concerned that the profit motive, reflected in a private company's duty to its shareholders, has the potential to undermine appropriate allocation of resources to rehabilitation programs and programs aimed at redressing disadvantage. PIAC remains concerned that the overseas evidence suggests that increased private involvement in corrections leads to lesser accountability, and in some cases, increased corrupt activity.

4. PIAC notes that programs aimed at disadvantaged groups are often labour intensive programs aimed at a comparatively small population. If a prison is privatised, then such programs could easily be subject to cost cutting or complete elimination, if the profit motive and the duty to shareholders to maximize profits, become major factors in decision making.

5. PIAC is greatly concerned about the rate of people exiting prisons into homelessness. Since the release of the Federal Government's White Paper on homelessness, *The Road Home: A National Approach to Reducing Homelessness*, there is a strong emphasis on eliminating the release from statutory and custodial care into homelessness. At privately owned and operated corrections facilities it will be difficult, if not

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impossible, to ensure compliance and consistency with commitments that the NSW Government has made to address preventing exits into homelessness for prisoners. Recidivism is high amongst the homeless population, often directly because of poor planning before an individual is released from prison.

A commitment by private operators to providing adequate resources to ensure appropriate staff and training in the development of effective post-release plans is vital. The possibility of cost factors by private operators overriding the current national focus on addressing the causes of homeless cannot be allowed to happen.

6. Unfortunately there is little data available, comparing the services provided by Junee and other NSW state run correctional centres. Comparison may, in any case, not be very useful as the sub-set of prisoners at Junee cannot be directly compared with the rest of the prison population, ranging from low security to high security prisoners as well as prisoners on remand and forensic inmates. There is no doubt that many of the concerns expressed about private prisons in other states and overseas are about the standard of health care. Similar concerns were also expressed about the private operators of Commonwealth detention centres.

7. PIAC does believe that there is an inherent conflict between the broader goals of public accountability and the profit imperatives of private sector providers. This is the major conclusion of PIAC's submission.

8. PIAC is strongly of the view that if a prison is privatised, then all the contractual documents and agreements between the private provider and government should be made public. Accountability can only be meaningful in this situation if the public are aware of the benchmarks and obligations set out in the contract. Otherwise how can a private operator's performance be monitored and measured?

PIAC thanks the Committee for the opportunity to respond to Ms Fazio's questions.

Yours sincerely



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