

**INQUIRY INTO ISSUES RELATING TO THE OPERATIONS
AND MANAGEMENT OF THE DEPARTMENT OF
CORRECTIVE SERVICES**

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Subject:

Summary



General Purpose Standing Committee No. 3

Inquiry into Issues Relating to the Operating and Management of the Department of Corrective Services

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Introduction

As a member based organisation, Australian Business Limited represents 28,000 businesses and at least 830,000 employees primarily in NSW. Australian Business Limited, its regional affiliates the Hunter Business Chamber and the Illawarra Business Chamber and the various regional Councils represent a membership base from the Tweed to Albury and as far west as Broken Hill.

Australian Business Limited works closely with Governments to develop policy that promotes Australian business and supports local communities. Furthermore, it is a member of the Correctional Industries Consultative Council (CICC).

This submission represents our position on the operations and management of Corrective Services Industries (CSI). It is limited to addressing Terms of Reference point one.

As the leading business organisation in NSW, we supported and helped establish the CICC to ensure that the work undertaken by CSI did not disadvantage local business nor have unintended consequences on local communities.

Australian Business Limited supports the objectives of the Department of Corrective Services and CSI to rehabilitate prisoners and provide them with the skills, training and opportunities to be valuable contributors to the Australian community and economy. This not only enhances the lives of the prisoners themselves, but also contributes to lowering the cost of incarceration and re-offenders which the Government incurs.

Australian Business Limited welcomes the opportunity to comment on the operation and management of Corrective Services Industries.

1. The Operation and Management of Corrective Services Industries with Regard to:

a: The observance of the Charter to avoid unfair competition through the use of prisoner labour to compete with existing businesses

Australian Business Limited supports the Charter to avoid unfair competition and is satisfied that it is being observed by the CSI and CICC.

In particular, Australian Business Limited supports the use of Industry Impact Statements to evaluate and monitor the impact of CSI on local businesses and communities.

Australian Business Limited is also satisfied that the onus to complete and update impact statements should rest with the industry and local manufactures affected. The existence of templates to assist businesses complete an industry impact statement is appreciated.

Australian Business Limited understands that the impact statements are reviewed every six months to ensure that no existing local business is being disadvantaged.

b: Claims that curtain manufacture by CSI is replicating work previously done by other NSW businesses and costing jobs

The CICC has investigated these claims and found that, contrary to media and some political comments, CSI is adhering to the Charter and manufacturing curtains that do not compete with local businesses. Australian Business Limited supports this finding.

To expand this particular instance, however, the CSI used its import replacement model to facilitate the production of a material that – although identical in name – was a heavier fabric more suitable for the end customer.

Australian Business Limited supports the objectives of the import replacement model because it means CSI does not directly compete with local businesses. That said, the curtain manufacturing industry is currently facing the problems being addressed by many Australian manufacturers and other industries: the presence of highly-competitive imports in the Australian market.

Many issues in the Australian economy – including Government red-tape, labour costs and even the current value of the Australian dollar – impact businesses and create burdens which limit the ability of business to keep pace with new global innovations. While the CSI may have an apparent advantage to keep pace with global innovation given its focus on import replacement, the CSI factors this into its pricing model and accordingly sets a competitive rate to match local industry.

To assist local industry and many other small and medium businesses that may be indirectly competing with the CSI, the Government may wish to consider the cumulative impact of structural issues in the Australian economy which place excessive burdens on business. It is these issues which reduce the resources of small and medium businesses dedicated to improving their businesses, products and ultimately managing the challenges of a competitive market place.

c: Other business that may be unfairly disadvantaged by CSI

Australian Business Limited is not aware of other businesses that are unfairly disadvantaged by Corrective Services Industries.