

Submission  
No 129

**INQUIRY INTO THE PRIVATISATION OF PRISONS AND  
PRISON-RELATED SERVICES**

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There are three main arguments for the privatisation of prisons. Firstly, the private sector will deliver cheaper and better prisons. This is because it is subject to the rigours of competition, it is free from bureaucracy, and it is more innovative.

Secondly, private prisons will set new benchmarks for the public sector and act as a catalyst for reform of the entire prison system.

Thirdly, privatisation will strengthen accountability through competition, establishment of objective performance standards and also because the state should be able to monitor a private operator better than it can monitor itself.

However, it must be questioned whether there will be real competition, in the market-place sense of the concept, and whether there are opportunities for innovations. It is also dubious whether private operators can save money without reducing standards, and whether private companies will be able to deal with the highly complex task of prison administration. It is likely that privatisation will weaken accountability – a very sensitive issue in corrections. There are also a number of key elements of accountability which the state must require of private contractors and which citizens must require of the state. Some of these are, maintaining a distinction between the allocation and administration of punishment, ensuring that the activities of the private sector and their relations with government are open and accessible, clearly specifying what is expected of the private sector, ensuring that the agreed services are supplied and that this is done to the contracted quality, retaining an appropriate degree of control over the appointment of staff, and retaining a right to reclaim private prisons if necessary

More fundamentally, the argument that imprisonment is an essential state function that should not be delegated should not be discounted. Look at what happens when governments out-source other difficult functions, such as job creation schemes and child care.

Furthermore, it is morally wrong to allow profits to be made from the infliction of punishment. It is likely that the profit motive will conflict with prisoner welfare as private operators have an incentive to cut costs at the expense of standards and an incentive to make decisions that increase the length of an inmate's stay.