

Submission
No 5

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

Name: Name suppressed
Date received: 24/01/2009

Partially Confidential

GENERAL PURPOSE STANDING COMMITTEE NO. 3.

Inquiry into the privatisation of prisons and prison-related services

I have been employed as a Correctional Officer by the Department of Corrective Services since April 1986 and have held a substantive position at Cessnock Correctional Centre since March 1993.

This statement is tendered in accordance with the **Terms Of Reference**, point 7 – “Any other relevant matter”.

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Firstly what I will call part one of this submission.

I would like to take this opportunity to present some of my thoughts on this subject and outline the personal impact that this course of action, should it proceed, would have on ;

1. Myself
2. My family (close & extended family)
3. My career & operational experience
4. My health and wellbeing
5. My lifestyle within my community
6. My financial situation and structure
7. My friends and workmates

The second part of this submission is in the form of a researched statement by myself regarding what I consider to be contributing factors that lead to Corrective Services taking this course of action.

The third and final part to this submission is in the form of an attachment titled "Letters to the Editor", "What are the real reasons for privatisation?" This letter was written by Mr. David Clark, who is a member of the public, living in Cessnock. To my knowledge, he is not affiliated in any way with any staff member of Cessnock C.C. or any other Correctional Centre. The letter embodies his opinions that from my vantage point appear well enough researched and poignant, given the privatisation proposal. In my opinion this letter conveys some valid points that are interesting considering they are from a citizen with, I assume, a very limited knowledge of the Department and Government "process". I would like to think that given the amount of public and business support we have received at Cessnock C.C., that Mr. Clark's sentiments echo those of a great many people in the greater Cessnock area and quite probably beyond.

Part one.

Point 1: Privatisation of Cessnock Correctional Centre, Parklea Correctional Centre, the majority of departmental inmate transport services and aspects of perimeter security at various other centres will affect me on many levels. Apart from the obvious, where I will not be able to continue my career at Cessnock. This "reform" will without doubt, create a working environment that does not offer the career security and stability that in the past were major motivations for undertaking a career within this department. These very terms have been quoted on numerous occasions in Corrective Services recruitment advertisements over the years and used as a drawcard in the recruitment process.

The privatisation of *existing Centres* leads me to believe that no goal currently managed by Corrective Services is safe from this threat or eventuality. This impacts monumentally on my actual and perceived

job security in that it could be seen to appear that no matter where I may seek placement, I will be at risk of this reform strategy arising again. This is a very stressful thought!

I feel extremely undervalued as an employee. I have devoted almost 23 years of loyal service to the Department Of Corrective Services only to find that I am to be “collectively” accused of being an “overtime rorter”; “sick leave abuser” among other things, through newspaper and radio media, by representatives from my own department and the Ministers office itself. This situation has lead to varying levels of ridicule from some friends and some members of my extended family. I have found this to be unfair and upsetting.

One of the most dramatic effects that may come to fruition for me personally (and therefore my close family unit) is that it may become necessary, given my unique personal circumstance, that I find it impossible to continue my career in the Department Of Corrective Services. This is *not what I want!*

I could expand on these effects further, however I will refrain in the interests trying to keep this document to a manageable size.

Point 2: The privatisation of Cessnock Corrective Centre will have a profound effect on both my close and extended families for the following reasons. Since transferring to Cessnock Correctional Centre in 1989 my wife and I have become settled in Cessnock. We now have 2 sons who are 20 & 19 years old, who have also settled in Cessnock. As a family we have developed a life for ourselves that includes an extensive social network and involved ourselves in numerous community organisations and volunteer services that continue today.

My wife is employed full time in Cessnock. She has furthered her education and devoted considerable time and effort in attaining the managerial position she now holds within her organisation. Our family is extremely lucky to benefit from the circumstances of her employment including it's location close to home and her contribution to our family income. It is very unlikely that we would be in the same position at another location, should my wife be forced to resign and relocate with me. My oldest son is

midway through an electrical apprenticeship in Newcastle and my youngest son is entering his second year of a Bachelor of Commerce Degree at Newcastle University.

These factors make it necessary for me to place restrictions on what I consider to be viable options regarding my work placement as I feel it would be remiss of me to place the careers of the rest of my family in jeopardy. This especially applies to my two sons, who are in an **extremely** important phase of their working lives and future careers.

I would also like to point out that should I choose to relocate to continue my career at another Corrective Centre, it would involve travel by car in excess of 2.5 / 3 hours per day, effectively drastically reducing quality time with my family while at the same time increasing the driving fatigue factor that would also increase the risk of an accident during travel to or from work. It would be reasonable to assume that every time circumstances caused a delay in this travel time, that my wife would suffer stress wondering what may be the cause.

The other alternative would be for me to transfer to another gaol and stay in that location (by some means to be determined as required) for the periods that I am rostered on duty and only travel home on my days off and while on leave. ***I find this option totally unpalatable!***

Should I make the choice to move my residence to a location outside my current geographical location and transfer to another gaol, I risk severely interrupting or destroying my sons' careers as well as moving away from all of our friends to a place where we have none. My wife would also have to discontinue her employment, thus placing severe financial stress on our family unit.

I feel that this would not really serve any purpose in either a social or financial sense.

This situation would have a ripple effect within my extended family where they would be aware of the choices faced by our family and sensing all the stresses involved with being forced to make a choice from a number of "unattractive" options. This would undoubtedly have a very real and identifiable effect on my elderly parents that, at their advanced age and health levels (especially in my mother) could potentially have a detrimental effect on their health.

Point 3: The potential (and worst case scenario) effect on my career in the Department Of Corrective Services is dramatic and with all things considered, possibly **career ending**. I have found that my level of job satisfaction since the announcement on 11th November 2009 has plummeted. The stark reality of such a revelation from the Department has served to severely undermine my perception of where my career is now and the direction I thought it was heading. Admittedly I have not possessed a burning desire to advance my rank to this point, however there have been and continue to be valid reasons for this career decision. I do have future plans and intended directions for my career in the Department. These plans may now be thrown into utter chaos and may ultimately lead me toward a decision that I never thought I would have to make until my retirement.

The announcement in November had a devastating effect on my workmates and morale at Cessnock Corrective Centre has been very low (understated) ever since. This too has had an extremely negative effect on my work experience over the last 2 months.

It is also worth mentioning that I have found it startlingly abhorrent in coming to the realisation that my employer has seen fit to punish me for things that have been out of my control and publicly attack my collective work performance.

Point 4: Since Commissioner Woodham made his announcement in November 2008 my mood, both at work and at home has been low (to put it mildly). I have tried not to let it affect me in this way with limited and varying success. I have not been sleeping well and have actually woken a couple of times suffering what I would describe as a panic or anxiety attack. I have not been enjoying large portions of most workdays due to the low morale of staff and friends and regularly find my mind straying to fearful thoughts of what future path my career may take. I have been a lot more "on edge" at work and at home and I have found this to be unpleasant. Knowing that this is also having an effect on my family has also been a source of great discomfort for me.

These are things that are affecting me now.

If future circumstances dictate that I change my work location to an area outside my geographical location at present it will certainly involve vastly increased travel time. This will have obvious effects on my health and psychological wellbeing (increased anxiety caused by what could have been avoidable reductions in my home family life and increased risk of being involved in a vehicular accident). Any other option would involve me staying near my new work location while rostered on duty and only travelling home on days off and leave periods. This option would place massive stressful circumstances on me for long periods of time and quite frankly, I would probably not take such an option. This option would also be accompanied by extra financial expense and outlay in that there would be a cost attached to me staying away from my family home. This in all likelihood combined with the extra fuel and associated vehicle expenses would place a vastly increased financial stress on my family unit.

My elderly parents are worrying about me because they sense the anxiety in me. This potentially affects them in a way that could negatively affect their health and this is a further cause of added anxiety on my behalf.

Point 5: I have lived in Cessnock for 20 years now and over this time I have formed many friendships from within my work location and with members of the Cessnock community at large. Should Cessnock be privatised, many or most of these friendships will be placed under a great deal of stress and quite probably these unions will disintegrate as a result of the possible implications that would result (as described above). This is a most undesirable situation for myself, my family and my friends that is likely to become a reality. It would be conceivable that due to differing personal circumstances my core group of workmates could end up working in many different locations. This would have obvious effects on these relationships.

During the 20 years that I have lived in Cessnock my family and I have become involved in a number sporting organisations and regularly volunteer our time to these groups. We have also volunteered our services to several charity and business organisations.

A change in my working circumstances and/or work location would undoubtedly result in a reduction in volunteered services from us, possibly even a total inability to continue offering our help at all. These groups would then suffer as a result and I am sure that you are all aware how hard it is for many community based groups and organisations to attract volunteers.

Point 6: My financial situation and our family's earning structure is very important to me. I am aware that financial stress is the single most common cause for marriage breakdown in today's society. It is for this reason that my wife and I have strived to gain steady and secure employment. The privatisation of Cessnock C.C. creates a dilemma for us; depending on what course/option I am forced to take. The ideal scenario for us that the status quo remains as it is! The worst scenario is that we relocate so I can continue my career and employment while my wife would have to resign from her job. The loss of her income would have a disastrous effect on our family finances. Frankly, this decision would not benefit us at all because her employment appears more secure than mine at the present time! We have planned carefully for many years to be in the position we find ourselves in today and I find it particularly disturbing that all our planning could be turned upside down. These two scenarios do not even take into account the employment and tertiary study situations of our sons as described earlier. This decision potentially has the ability to place our marriage in undue stress and although we would make every attempt to limit its impact, it will have real consequences. How much could be largely up to us, however I would find it preferable not to have to deal with these possibilities in the first place!

Point 7: During my 20 years of service at Cessnock C.C. I have formed many friendships inside and outside of my workplace. I have formed a strong bond with a "core" group of workmates and we continue this friendship outside work hours and regularly meet as a group and socialise with their families as well. I find this particularly satisfying and consider this to be a great outlet for the inherent stresses of our demanding occupation. These friendships will undoubtedly struggle should we be forced to make independent decisions based on our own unique circumstances.

With regard to the friendships that I have formed outside the workplace over the 20 year period I have lived and worked here. The privatisation of Cessnock C.C., depending on my chosen option, could place my friendships in severe jeopardy or in fact effectively sever them if I had to move away. My family will have identical ramifications and I find it particularly hard to reconcile the consequences my family will be forced to endure in this process should it proceed.

All these friendships involve a second party and any changes in my circumstance has the potential to affect all these people in some way!

Part Two.

Firstly I would like to draw your attention to a document titled;

“Value for Money? Neo-liberalism and New South Wales Prisons.”

By Jane Andrew, School of Accounting and Finance, University of Wollongong¹ and Damien Cahill, Discipline of Political Economy, University of Sydney.

During this section I will draw quotes from this document and paraphrase others that reflect or state identical or similar thoughts to my own.

This paper, in its abstract section makes the following statement, **“In this paper, we argue the cost accounting information used in the assessment process was limited and partial, and provided a poor basis on which to form policy. Even so, the NSW government has proceeded on this basis.”** [Page 1] This refers to a report entitled **“Value for Money from NSW Correctional Centres”** that was released in September 2005 by the New South Wales Parliament’s Public Accounts Committee.

Ms. Andrew and Mr. Cahill presented the argument that the report is “fundamentally flawed on its own terms” and continue on to state they hypothesize that the NSW government must consider the term efficiency to equate more to mean “cost-effectiveness”, rather than service delivery and the stated “corrective” objectives, of incarceration.” [Page2] In their learned opinion “cost-effectiveness” had

been given such a central platform within the report and that issues that they felt should have been considered, were neglected. Ms. Andrew and Mr. Cahill also formed the opinion that cost is central to the NSW government's prison policy recommendations and argue that they further believed "the cost data used to build an understanding of the prison sector is flawed and based on assumptions that are not supported with externally verifiable evidence." In addition to this they noted that they found it surprising that a definition of "effective and efficient" was not provided in the report and, in their opinion, this would have helped to set up a basis for assessment. I felt that, and at the risk of oversimplifying the tone of their document Ms. Andrew and Mr. Cahill largely felt that the report for all intents and purposes, basically compared the "cost" of the correctional services supplied by the public and private sectors.

The report into Value for Money from NSW Correctional Centres (2005), they continue, basically equates "value" to "cost" and further infers that the report treats the two terms as being ostensibly synonymous. I would suggest that this is in fact far from the case in the context of Correctional Services. Ms Andrews even argues, **"It is questionable whether realistic cost comparisons and assessments are the motivation for such a report."**

In fact in the section titled "2.2 Partial Cost?" Ms. Andrew & Mr. Cahill further state, **"Not only does the report focus on cost rather than "value", the cost data that is provided is inadequate and misleading. The report begins with an outline of inmate costs per day which represents the costs in a way that fails to acknowledge their partiality and ambiguity."**

Ms. Andrew and Mr. Cahill also draw on the following quote to strengthen their point – "It is well documented that the cost data available is limited and the nature of the sector makes any such comparison all but impossible (Roth, 2004)

I suggest that it should be considered shameful for this situation to be present in a report of this importance to be presented in the forum of NSW parliament and I ask the question, was it the purpose of this report to misrepresent the facts to facilitate a specific outcome?

Significantly, this report also presents a dollar figure of the cost per inmate per day in the Junee private correctional centre even though they were aware that it cannot be substantiated by externally verifiable evidence. The committee apparently took it upon themselves as to how they would calculate this figure and did not offer any “detailed” explanation on its make-up except a very simplistic mathematical sum of annual cost divided by the number of days in the year. This type of primary school mathematics surely has no place in our government processes.

In fact, Ms. Andrew & Mr. Cahill states that “The Auditor-General’s report (2002) didn’t include this figure because it was considered too difficult to determine.” They also acknowledged that the Auditor General’s report suggested that public gaols’ costs incorporated “additional overheads and program costs.” (Auditor General, 2002:125).

It should also be noted, and records will confirm that as stated by Ms. Andrew & Mr. Cahill “it is important to acknowledge that the cost of housing prisoners is substantially different depending on their classification.” Maximum security inmates cost far more to guard than minimum security inmates due largely to higher staff to inmate ratio required within these centres and the added security resources that must be present.

The “Value for Money from NSW Correctional Centres” report was released in September 2005. Since that time there have been three Correctional Centres that have been opened under the Department’s “Way Forward” model of management and accompanying staffing profile. These centres are not privately managed. It therefore stands to reason that at the time of negotiations taking place between the P.O.V.B. (Prison Officers Union) and the department, the government must have determined that the new gaols operating under “The Way Forward” principles must represent a *better value for money* proposition than if they were privately managed at that time.

Could someone please ascertain what exactly has changed since those decisions were made in order for the Department of Corrective Services to deem it necessary to privatise two existing centres, sections of the inmate transport services and perimeter security at selected centres in New South Wales?

"THE ADVERTISER" - CESSNOCK 21ST. JAN-2009

Letters to the Editor

What are the real reasons for privatisation?

Sir

I respond to the article in The Advertiser 31/12/08 "Department Rebuffs Claims" in respect to the NSW Government's decision to privatise Cessnock Corrective Centre.

I believe the Minister has, through the Department of Corrective Services rebuff, actually defined the real reasons for privatisation. The Minister and his Department cannot economically manage a business within the NSW Government's rules and the NSW Government's Purchasing Policies add to the unacceptable costs of goods and services to Cessnock Corrective Centre.

In fact it states to the Minister's shame and the local business community's chagrin "privatisation of Cessnock and Parklea correctional centres will be of great benefit to the local communities surrounding each centre, with private operators, who will not be bound by Government contracts, able to purchase locally for all the centres needs, including the weekly inmate 'buy ups' of product".

What the Minister and the Premier have hidden from the local community is that they have by policy, rules for excluding local businesses and suppliers of goods and services from contributing to the economic effectiveness of the corrective centres.

The article also indicates the department monitors the private operators who are fined for non compliance issues. Why does the Premier not fine his Minister and department chiefs for non compliance issues which I conclude are contributing inter alia, to the \$40 million unmanaged overtime bill presently accrued under the

Ministers management and a prime reason for privatisation?

The NSW Government's answer is privatisation so that its own ineffective and uneconomical rules can be circumvented to reduce the costs of running the corrective centres to an acceptable level. But I believe by inference, that even if the Government's rules were removed, the Premier and his Minister are admitting they cannot manage as effectively as private enterprise.

By publically exposing and blaming the workforce as the reason for unacceptable costs is, I believe, dishonest and against all Labor principles of fairness. Our local Member along with the local community is passionately against the privatisation of our corrective centers. Recent history indicates however, that on this issue, the views of our local member and our community, is an irrelevance to this Premier.

The Premier employs a Corrective Services Minister who presides over an enlarged bureaucracy with senior managers on high salaries who, if we believe their response in The Advertiser, collectively have betrayed the stewardship entrusted in them by the taxpayers of NSW and in particular, the workforce in the corrective centres.

The corrective centres workforce should not have to bear the cost of management incompetence. The privatisation solution is, I believe, such a case.

David Clark,
Burnett Street,
Cessnock.

I FEEL THIS ARTICLE EMBODIES THE SENTIMENTS OF THE MAJORITY OF LOCAL RESIDENTS & THAT OF MANY STAFF & QUITE POSSIBLY A LARGE PORTION OF THE PUBLIC AT LARGE!

TO MY KNOWLEDGE THIS GENTLEMAN IS NOT AFFILIATED WITH CORRECTIVE SERVICES OR ANY STAFF MEMBER IN ANY WAY.

References

Auditor-General, *Auditor-General's Report to Parliament 2002*, Volume 6

Roth L. Privatisation of Prisons: Background Paper, 3/2004. Sydney: Parliament of NSW;2004.

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