

**Submission
No 427**

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

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**Submission by G4S Australia Pty Ltd to a Legislative Council Inquiry
into the privatisation of prisons and prison-related services
General Purpose Standing Committee No. 3**

G4S Australia is grateful for the opportunity to make a submission to the inquiry by the General Purpose Standing Committee No 3 into the Privatisation of Prisons and Prison-related Services.

Prisons

The NSW Parliamentary Library Research Service noted recently (Griffith & Edwards 2009, online) that the private prison debate operates at many levels, from the philosophical to the practical. Confusion is the unavoidable outcome when the line between the ideological and the practical is unwittingly or deliberately blurred and distorts the arguments in favour of privatisation. It is G4S's submission that there are very few practical reasons to reject the private management of prisons, and many reasons to embrace it. In this submission, we discuss some of the issues that have been misunderstood or misrepresented to the detriment of all stakeholders - government, community, staff and prisoners.

G4S is well qualified to comment on prisons and prison-related services. We have been successfully operating prisons in Australia and delivering prisoner-related services since 1995 (previously as GSL) and currently we manage prisons for the Victorian Government (Port Phillip Prison, a maximum security 710-bed facility in Melbourne) and the South Australian Government (the medium security Mount Gambier Prison). We also deliver prisoner transportation services throughout Western Australia, South Australia and Victoria; security at secure psychiatric hospitals in Tasmania (Wilfred Lopes Hospital, Hobart) and Victoria (Thomas Embling Hospital, Melbourne), and at Long Bay Prison Hospital in Sydney; court security; and electronic tagging. We operate Australia's immigration detention facilities for the Commonwealth Government. Our parent company G4S is one of the world's leading international security solutions groups, operating in 111 countries and employing more than 570,000 people. The company is a trusted partner of many governments, six of them in Australia.

The history of prison privatisation, globally and in Australia, is outlined by Griffith and Edwards (Griffith & Edwards 2009, online). Unlike privatisation in the USA, which was largely motivated by cost minimisation and the continually increasing demand for more infrastructure as the prison population soared, the objective in Australia (and the UK) was much more to reform and improve an ageing and increasingly discredited prison system through competition and efficiency gains. It was almost fortuitous that it was also found to deliver substantial savings. The distinction between private prison policy and practice in the USA and Australia is still so great that comparisons between the two have little value. Statistics and examples of workplace practices in the USA (where G4S does not operate prisons), if they are used in an attempt to discredit private sector participation in Australia, should be treated with great caution.

A key objective of privatisation in every state that has introduced competitive tendering for prison and prison-related contracts has been to leverage improvement from the innovations brought by the private sector and apply them across the whole corrections system. The pressure of competition is a powerful incentive for tenderers to think of innovative ways of doing things, but it has also spurred public prisons throughout the system to adopt the innovation in their own practices. Specifically, governments were motivated by increasing dissatisfaction and impatience with what they saw as entrenched restrictive practices that created an environment which was openly hostile to change. When contracting and contestability were introduced, they were usually followed by improvements in the delivery of corrections services and in conditions at other prisons.

As criminologist David Biles put it, 'Possibly the most important gain from the introduction of private prisons, in addition to a considerable saving of public money, is the impact they have had on the running of government prisons, which have significantly improved their efficiency in the past two decades (Biles 2009, p. 322). Four years earlier, in September 2005, the NSW Legislative Assembly's Public Accounts Committee recommended in a report entitled *Value for Money from Correctional Services* that: 'The Government should maintain at least one private prison in the State for the purposes of benchmarking the performance of publicly operated centres and to encourage the development of innovative management techniques' (NSW Legislative Assembly 2005, p.vii). This 'cross-fertilisation' is a compelling reason to privatise an increasing number of prisons in coming years.

A frequently voiced criticism of opponents of privatisation is that private prisons live in a world of their own, making up their rules as they go, cutting corners, endangering staff and increasing the risk of escapes. In October 2008, the General Secretary of the NSW Public Service Association warned a rally of prison officers, protesting against the government's privatisation plans: 'The new owner (sic) will have no responsibility to the government, no responsibility to the staff, no responsibility to the people of NSW and no responsibility to the inmates' (Cahill, 2008).

Nothing could be further from the truth and the claims were not supported by any credible evidence, or indeed by any evidence at all. Security and safety dominate G4S's philosophy and our aim is to provide a safe, secure and humane custodial environment in which prisoners are effectively managed, commensurate with their needs and the risks they pose to the community. It is inconceivable that a company recognised as a world-leader in humane and efficient correctional practice, as G4S is, would compromise its reputation and position in the market-place by deliberately under-staffing. Economies are never achieved by reducing staff numbers to the point where Occupational Health and Safety and security are compromised. Port Phillip Prison has AS4801 certification – 'Occupational Health and Safety Management Systems'; and every G4S site has AS9001 certification – 'Quality Management Systems – Requirements'.

In any contract to operate a prison there is risk not only for the company but for the government, in that the company might not meet all its obligations. To mitigate this risk, G4S has a well established risk management and compliance framework. Risk is identified, assessed and monitored through a risk management matrix and is managed through a continuous and proactive risk-based operational audit compliance program that is both internal and external. These systems are transparent to the customer and provide a chain of evidence to demonstrate that we have delivered the services that we are paid to deliver.

Corrective Services Commissioner Ron Woodham recently refuted the claim that privately run prisons increase the risk for local residents, as was being claimed by some who opposed privatisation. Woodham stated that the privately operated Junee jail presents no risk to the surrounding community: "There's no evidence to support what the PSA is saying that privately run prisons pose a threat to the community" (Woodham, 2008). G4S has operated the complex maximum security men's prison, Port Phillip Prison, since it opened in 1997 and in that time, there has not been one escape.

Nor is there any evidence to support the claims that privatisation puts staff and prisoners at greater risk of assault. To the contrary, G4S's experience is that the initiatives that it has introduced in its prisons have done much to reduce tension and violence. Good staff-prisoner relationships, in which each treats the other with respect in an environment in which bullying is never tolerated and officers mix easily with the prisoners and are helpful and courteous without ever compromising security and safety, are a key to reducing tension and ensuring a safe, unthreatening environment. The recurring disappointment is that many of those working in public prisons in the old culture see (or at least claim)

this enlightened, 21st century approach to prison management as being threatening, inappropriate and weak. The truth is that it is none of these.

Another common misconception is that private prisons exist in isolation, somehow separate from the main corrections system. The reality is that privately managed prisons are an integral part of the whole prison system wherever they operate in Australia. The same state-wide corrections policies and rules apply to them as to the public prisons. They are exposed to the same, and usually more rigorous, scrutiny as publicly run prisons; and unlike the public prisons, they face heavy penalties for breaching their contractual or legal obligations. Claims that private prisons are overcrowded or selective in the prisoners they take, in order to increase their profitability, ignore the reality that no prisons determine how many, or which, prisoners they receive. Prisoner placement is exclusively the responsibility of the state's Corrective Services Department, as is initial prisoner assessment. Placement is never determined by whether a prison is privately or publicly managed.

There is opposition, usually on philosophical grounds because no other argument supports the claim, to the private sector disciplining prisoners. The facts are that the senior staff responsible for enforcing discipline in private prisons are invariably experienced corrections practitioners, many of whom have previously worked in the public system, performing the same role, where it was never controversial. Prisoner offences are defined in legislation and strict rules governing disciplinary action apply across the system, regardless of whether a prison is privately or publicly managed. Private prison operators have no discretion to depart from the rules and every disciplinary decision is subject to review by the Corrective Services Department.

Private operators have responded in different ways to the need to introduce innovation into their prisons, but always with a view to its likely impact and benefit for the whole system. No significant innovation is introduced without the prior approval of the Corrections Commissioner. One of the earliest innovations introduced by G4S was an incentive-based prisoner management regime which rewards prisoners who do the right thing, for example with an extra visit, or an extra buy-up in the prison shop. All prisoners are placed on an incentive-based contract when they are admitted and this contract specifies the level of privileges available to the prisoner, depending on his behaviour. Unacceptable behaviour may result in a prisoner's contract level being reduced, which affects the level of privileges available to him.

Other successful innovations in G4S prisons have included:

- Eliminating the workplace restrictions that are still in place in some public prisons, which limit the number of prisoners who will be admitted on any one day. It has proved to be one of the most positive innovations in terms of efficiency at Port Phillip Prison.
- Increasing out-of-cell time. Time out of cell is a contractual requirement, with penalty clauses for under performance, and at Port Phillip Prison prisoners have 11.5 hours out-of-cell time which is double that in many public prisons.
- Raising the quality of out-of-cell time. This is as important as the actual time spent out of cells. At Port Phillip Prison, for example, prisoners are not confined to small exercise yards, but within security constraints have access to other compounds, using personally issued electronic keys.
- Related to the quality of out-of-cell time are high levels of activity time, in the form of work, programs and education, in prisons run by G4S. At Port Phillip Prison, for example, 75% of the prison population must do 30 hours of work, activity etc per week, a high percentage given the number who for medical or other reasons cannot participate.
- Introduction of privacy locks on cells, providing prisoners with their own key to their cells. This not only provides prisoners with greater privacy and reduces

opportunities for theft, but increases efficiency. It has reduced costs by releasing staff from the need to lock and unlock cells throughout the day, except at general unlock and lock-up times.

- The compulsory wearing of name tags by all staff and the ability of prisoners to address staff by their first name, and to be addressed by name and never number. These seemingly small measures have proved important in relaxing tension in our prisons.
- The Prisoner Listener Scheme, pioneered by G4S and now extended to prisons in the public system, uses trained prisoner peers to assist unit staff. It has been notably successful in reducing incidents of self-harm.
- The Youth Unit at Port Phillip Prison prepares young prisoners not only to survive when they are released, but to succeed as employees and in their own small businesses. It is a unique, multi-award-winning project, supported by local and national businesses and mentored by business people.
- Marlborough Unit at Port Phillip Prison is also a unique initiative, a joint treatment program (with Corrections Victoria and Statewide Forensic Services) for prisoners with severe cognitive impairment. Prisoners are drawn from across the Victorian prison system.
- Lives in Transition program, delivered in collaboration with the Prison Fellowship.
- Development of a strong community relationship.

These and other innovations would almost certainly not have been – and in many cases could not have been – introduced into the prison system without the involvement of the private sector, given the restrictive practices in place in many public prisons.

One of the most frequently asked questions about privately managed prisons is their impact on reoffending rates. All corrective services aim to reduce the risk of reoffending by providing services and program interventions that address the causes of offending, maximise the chances of successful reintegration into the community and encourage offenders to adopt a law-abiding way of life. The difficulty, which critics of privatisation take advantage of, is that it is methodologically very difficult to quantify the effectiveness of the programs delivered by just one prison. Most prisoners stay in any one facility for too short a time for its impact to be measurable. Over the life of their sentence, prisoners are likely to go to several prisons, public and private, which may have a very different commitment and approach to programs designed to reduce reoffending. Complicating the picture further is that there are many components and influences, particularly social influences, which affect post-release offending behaviour (Harding 1998, p. 5).

Notwithstanding this, it is more likely than not that the innovative programs, the emphasis on education, the positive attitude of staff and counsellors, and the culture of private prisons will all assist prisoners in avoiding a return to crime when they are released.

Critics of privatisation have portrayed private operators as being too remote from the public sector and public service expectations. That is both illogical and far removed from the reality. Private operators in the corrections industry derive almost all their business from government and must have a strong public service ethos even to survive. They must understand what public service means and requires of them. This is reinforced in the recruitment process and throughout the careers of prison staff and those who work in privately operated prisons have a commitment to serving the public that is equally as strong as those working in the public system. They see no conflict in being employed by a company that also profits from their work.

A prison must be a workplace environment that is conducive to union involvement and sound OH&S practices, and it must have excellent labour relations. There should be no conflict between public and private prisons in regard to industrial relations and it is significant that in Victoria, for example, officers working in publicly and privately managed prisons are all represented by the same union, the CPSU.

G4S has a flatter management structure than most public prisons and partly as a consequence of this there is a high level of interaction between senior prison management, prison officers and the prisoners. One of the most significant initiatives introduced by G4S has been the use of 12-hour shifts, as opposed to eight-hour shifts in most public prisons. Twelve-hour shifts give greater flexibility and are more efficient and cost-effective. They reduce overlaps at shift change-overs, align better with the 11½ hour out-of-cell regime, and are convenient for staff.

Nearly 40 per cent of custodial staff at Port Phillip Prison are female, a deliberate policy of G4S in all its prisons, which reflects our commitment to our EEO agenda. G4S also actively recruits for new staff outside the corrections industry and twice a year recruitment courses are conducted for people who have had no prison experience. Experience shows that some of our most successful officers came to the company with no previous experience of the corrections environment. It is a policy that provides a balance with our valued staff who have spent many years in the corrections industry.

An understanding by every employee of their human rights obligations and corporate social responsibilities is a prerequisite for every position within G4S and it features prominently in all training programs. Additionally, in Victoria (the only state so far with such a charter), compliance with the Human Rights Charter is strictly enforced.

The Productivity Commission has noted that efficiency indicators in corrections are notoriously difficult to interpret in isolation and have to be considered in conjunction with effectiveness indicators (Griffith & Edwards 2009, online). By this measure, G4S's prisons rate highly. There are also differences in the profile of inmates in different prisons, the offender population, and geographic dispersion and isolation factors, all of which may limit opportunities to reduce overheads through economies of scale. However, in noting that 'the costs of keeping inmates in the publicly and privately run correctional centres could not be compared because they are not calculated the same way', the NSW Auditor-General stated that "it was cheaper to keep a prisoner at the privately run Junee Centre than the average cost for all the prisons" (NSW Legislative Assembly, Public Accounts Committee, 2005).

Three reports from the Victorian Parliament are cited which confirm lower daily costs per prisoner in privately managed prisons: (Parliament of Victoria 2008, online; Parliament of Victoria 2007, online; Parliament of Victoria 2006, online).

Prisoner transportation

Prisoner transportation has been privatised in Western Australia, South Australia and Victoria and G4S is responsible for the transporting of prisoners in all these states. Our vehicles last year performed almost 250,000 prisoner movements and travelled 3.5 million kilometres.

Conclusion

It is G4S's submission that the decision by the NSW Government to privatise the operations of at least two further prisons in New South Wales, and possibly other prison-related services, offers substantial advantages to all stakeholders. It is important not to lose sight of the significant and real benefits of privatisation in the important but usually unrelated philosophical debate about the propriety of privatisation *per se*. In particular, there is no evidence to support the shibboleth that companies should not profit from

incarceration and that there is no incentive for them to rehabilitate inmates because a reduction in the number of prisoners would reduce profitability.

G4S has had many years' experience managing prisons and prisoner-related services, including prisoner transport, court security and security at secure forensic psychiatric hospitals. Overall, the private sector's involvement in the operation of prisons has been a great success. There have been mistakes and lessons have been learned, but the private sector has demonstrated not only that it runs some of the best prisons in Australia, but that the introduction of competition has been a key catalyst for change in the wider prison service (Narey 2003, p. 2).

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