

Submission  
No 136

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

**Organisation:**

**Name:** Name suppressed

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**Date received:** 25/02/2009

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Partially Confidential

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29 February 2009

The Director  
General Purpose Standing  
Committee No. 3  
Parliament House  
Macquarie St  
Sydney N.S.W 2000

Dear Director,

Please accept the following as our submission into the:

**Inquiry into the privatisation of Prisons and Prison related Services.**

We ask the NSW Parliament General Purpose Standing Committee No.3 to consider carefully all of the issues raised in this submission to the Inquiry into the privatisation of prisons especially Cessnock Correctional Centre.

We believe the impacts of privatisation are felt by.

- 1) Inmates
- 2) Prison Officers and non Custodial Staff
- 3) The families of Prison Officers and non Custodial Staff
- 4) The Community
- 5) The Economy of New South Wales

We also believe a number of questions need to be raised and discussed thoroughly.

**1) Inmates**

The impact of privatisation on inmates can clearly be seen by looking at the already existing private gaols. The state ombudsman's annual report released on the 22<sup>nd</sup> October 2008, states that the number of complaints from Junee Gaol (NSW's Private gaol) in recent years is significantly higher than from other similar sized Correctional Centres in N.S.W. The report also states that 341 complaints were received from inmates at Junee Correctional Centre. One example is that inmates complained about the reduction of toilet roll rations resulting in toilet rolls becoming gaol currency.

Is this really the Government's plan for the way forward?

The 11<sup>th</sup> September 2008 edition of the Age states that the Victorian Ombudsman's

reports shows that the overall inmate complaints were up by 13% on the previous year. The Deputy Ombudsman John Taylor said his office was concerned "that private sector involvement in services traditionally supplied by Government may lead to the erosion of citizens rights." This will lead to more unrest amongst inmates and therefore more tension and assaults on each other. Which has the potential to impact on Officers and other Correctional staff.

The Age December 2005 reports that Coroner Phillip Byrne investigating the death of inmate Paul Anthony Shaw found that, "the prison's private operators Australasian Correctional Management had inadequately audited implements which resulted in a prisoner losing his life."

Further research into the history of private gaols does not paint a very pretty picture and I find it hard to believe that the government wants to go down this path again.

"The history of private sector involvement in corrections is unbelievably bleak, a well documented tale of inmate abuse and political corruption. In many instance, private contractors worked inmates to death, beat or killed them for minor rule infractions and or failed to provide inmates with the quality and quantity of life's necessities (food, Clothing, shelter etc) specified in their often meticulously drafted contracts."

J.J Diluliam Private Prisons (1988), Institute of Justice Crime File, US Department of Justice.

We need to remember that privatisation means the companies who tender these gaols have to make a profit at what ever cost. "Private Corporation in not, in the business of being humanitarian, It's in the business of increasing profit and market share."

Chomsky, N. Profit over people Neoliberalism and Global order, (New York: Seven: Stories Press 1991) p122

As Cavise argued that "with private control, there is a danger that prisoners, traditionally among society's most neglected members, will suffer abuse and exploitation for profit."(1998 p22)

Cavise, L.L "Prisons for Profit UNESCO Courier, June 1998 p20-23

It can clearly be seen by the examples above this is still the case in 2008.

## 2) Prison Officers and Non Custodial Staff

Both prison Officers and Non- Custodial staff have been told by Mr Woodham the Commissioner for Department of Corrective Services that no staff member will lose his or her job should they decide to remain with the Department. Yet in reality some staff cannot afford to relocate their families to another area. Mr Woodham has stated that the Department will help with relocation fees. However two officers that I know have relocated some of their family members having to leave some behind and the costs have had to be paid by both the department and themselves.

The moral of staff at Cessnock Correctional Centre had plummeted to an all time low. Officers are understandable stressed and now they are being tarnished as Bullies and

overtime manipulators in the press. They are accused of rorting the overtime system so impose overtime bans and ironically the Department takes them to the industrial court were Justice Mark's orders them to lift the overtime ban. Which they did. Instead of blaming the officers should we as a community not be asking Mr Woodham why staffing levels have been allowed to drop so low that the gaols can no longer be run without overtime. Economically does it not make sense to employ enough staff to run the gaols efficiently instead of paying officers at a higher rate of pay to do overtime.

Some Prison Officers feel that they are under attack from the very people who are supposed to be providing them with a safe and secure work place. Prison Officers and non Custodial staff who work at Cessnock Correctional Centre have chosen to locate their families in the Cessnock Community and this is not like the Department is asking them to move a few suburbs away they will have to relocate their families and this will often mean moving away from extended family members. The staff as Cessnock will have their career and operational experiences limited by the move. Their health and wellbeing will and in some cases has already being detrimentally impacted upon.

3) The Families of Prison officers and non custodial staff

Each individual affected by the privatisation of the gaols has his or her own story to tell some of them are obviously more affected than others. As there are too many different stories to tell I will tell you about how this privatisation of Cessnock Correctional Centre will affect me.

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..... Normally when you are stressed you turn to your family and friends for support, but how can you turn to them when they are also directly affected by privatisation.

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..... Due to the global economic climate at the present like many people we find our selves with a house whose value has dropped. If we sell and relocate we are no longer entitled to the first home owners grant nor are we exempt from stamp duty so will have to borrow more money to purchase a house, (probably a bridging loan with higher interest until the house we live in at the moment is sold). What happens when we relocate and the Department decides to privatise the Gaol my husband has moved to ?

My husband rarely does overtime so cannot understand how Mr Woodham can accuse him and other officers of rorting then he changed his wording to manipulating the

overtime system. I have three jobs at the moment to help make ends meet. Mr Woodham and other members of the Department of Corrective Services have repeatedly stated that no employee will lose their job. What the Department does not appear to understand or worse they just do not care is that most of the Correctional Centre staff have partners and children who have jobs. In the economic climate that Australia will find it's self in later this year when the full impact of the global economic down turn actually hits Australia it would be foolish to expect these people to give up their jobs to relocate to another suburb where they may not be able to secure work. What is in place to prevent this from happening at the new gaol that Prison Officers relocate to?

Officers with children in schools also have to consider there children's education.

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Emotionally moving out of the area will have a huge impact on myself and my family. My sister has at her own expense relocated herself from interstate to be near me as her health is rapidly failing she has diabetes and arthritis and complications from both. If I then move she will be on her own. My wife's family live in the area and moving means she and they will lose contact with each other. My wife's parents and her aunt are not getting any younger and have various health problems between them. My wife's sisters also live

in the area and the family rely on each other as a support network.

So moving me and my family out of the Cessnock area will have severe consequences for myself and my family. If I move and leave the family behind it will defeat the purpose of my wife giving up her job with ..... to keep the family together. It will also destroy the family unit my wife and I have worked so hard to achieve. As for staying with the private company how can anyone make such an important decision as to stay when there are too many unknown quantities. Who will I be working for? What will my conditions be? What will be my rate of pay ? Why should I have to resign from the Department of Corrective Services and lose all my benefits? Because I followed the advise given to me by the Department to purchase in the area I have a mortgage which redundancy will not cover.

#### 4) The Community

What kind of society would we live in if we promoted and supported making profit off crime? Private prisons are not morally correct. Corrections should remain a function of the state as the "quality of Correctional services may be reduced in an effort to maximise profits."

Joseph Sozzani Privatisation in the US and Australia: A comparative analysis of the modern privatisation movement in corrections. p158

The Cessnock Community receives a lot of support from staff employed at Cessnock Correctional Centre, staff are involved in school Parent and Teacher committee's, Rural fire volunteers, Rescue squad, State Emergency Services, Coast Guard members etc. Partners and children of staff working at Cessnock Correctional Centre are involved in sporting activities and clubs, they also work in the community in the hospitality industry, retail, education and health services just to name a few. Money is also spent by staff and their families in the community.

"In Australia, accountability for private prison has emphasised performance measures, contractual compliance and monitoring and this has often led to poor outcomes for prisoners and the Australian community more broadly."

Andrew Jane, Prisons, the profit motive and other challenges to Accountability, University of Wollongong School of Accounting and Finance. P2

Privatisation of Correctional Centres are open to corruption which will impact on the community for example, "Metropolitan Women's Correctional Centre (MWCC) contract required that no more 8.26% of prisoners test positive for non-prescribed drug use as a result of random testing."

Contract for the Management of MWCC, 1995 p171

[www.contracts.vic.gov.au/major/49/prison1](http://www.contracts.vic.gov.au/major/49/prison1)

However, when the commissioner investigate the MWCC he found that " for the last three months prisoner 'E' has been tested on 13 occasions between 4am and 5.20am. The MWCC manager of Health Services has advised that there is non medical reason as to why Prisoner 'E' has to be tested at these times is of significant concern as the

predictability of testing enables the prisoner to use drugs with a decrease likelihood of being detected.”

Armytage P. Correctional Services Commissioner’s report on Metropolitan Women’s Correctional Centres compliance with its contractual obligations and prison services agreement, (Victoria: Victorian Government, Printer 2000) p16.

The Community of Cessnock deserve some answers as to why the state government has made the decision to and started down the path of privatisation without sufficient public debate on the subject. Why are the vast majority of the public only being made aware of the decision by staff and CAPS groups not the government.

Why are we having an inquiry when according to the commissioner Mr Woodham the decision has already been made and it is inevitable?

Why hasn’t a social impact study being conducted on the community?

Why haven’t the staff and unions been allowed to suggest alternative solutions to the problem?

Why is Cessnock still awaiting a formal announcement regarding the privatisation of Cessnock Correctional Centre? Why was it announced at the end of the mini-budget like some after thought that Mr Hatzitergoes tried to sneak in?

Why did the government announce the privatisation of Cessnock Correctional centre before notifying Hon Kerry Hickey the Local Member of Parliament was informed?

Why did the Minister for justice Hon John Hatzitergoes stated in a letter dated 4/11/08 “No decision yet to privatise Cessnock Correctional Centre” yet one week later it was announced in parliament?

##### 5) The Economy of N.S.W

It was revealed in 2007 that tax payers money was being wasted and that inmates were receiving services that the average law abiding citizen couldn’t afford. The Sunday Herald 16<sup>th</sup> September 2007 reported that” the inmates of Fulham Correctional Centre run by GEO Group (Formerly known as Australasian Correctional Management ACM which is a subsidiary of the US based Wackenhut Corrections Corporation. Which also operates Junee in N.S.W) received personal Gym training and specialised diet advice while in jail. Given inmates a service that would cost a member of public \$8000 a year.” The report also states that “they used to employ a Karate Sensei to teach martial art skills. Prison sources said the \$200 000 program saw officers set up training regimes for prisoners.”

The Sunday Herald further reports that the Crimes Victims Support Association President Noel McNamara said,” on the outside world you pay small fortune to have these sessions. To have them free for people who are supposed to be paying their debt to society is an insult to the Victims of Crime.”

In N.S.W a government run Correctional Centre has never been privatised before, the Junee Correctional Centre was built from the start for private contractors, so we need to look further a field for advice on the true costs involved.

“The full costs of the process are rarely calculated (for example. The cost to the community of eroding job security, the retraction of the state obligations to its citizens, and the cost of reversing the decision if it turns out to be a bad one)  
Gormley 1991 and Butler 1991

The costs of the reversing the decision can be seen by looking at the case in Victoria where this in fact did happen. The reversal occurred because the Victorian Government took back control of the Metropolitan Women’s Correctional Centre in 2000 after four years of repeated breaches of contract and failure to meet the service delivery., including inadequate staffing, lack of proper security services, rampant illicit drug use and excess lock downs. However the costs involved were incredible.

“In November 2000, the Government took back ownership and management of the prison for \$20.2 Million, \$17.8 Million of which was for the building infrastructure, \$2.4 Million covered the costs of terminating the loan on the facility that had been taken out by the private operator.”  
Auditor General Victoria

Private prisons generally have three components to the fees they receive.

- 1) accommodation
- 2) correctional day to day operations
- 3) performance linked fee

The three part fee has “often led to an erosion of reporting quality.” Andrew J p21

ACM (Australasian Correctional Management) contract requires them to provide adequate clothing for inmates. However according to the Australian Broadcasting Corporations report. “ACM initially purchased clothing from St Vincent de Paul, who agreed to provide them at a reduced rate of \$5 per kilo originally then for free. When this was revealed ACM approached the Uniting Church and asked for clothes and basic housing items.”

Mares P

Therefore ACM were able to pocket the money provided to them by the government to adequately clothe inmates and thus took away from the local community as the individuals these charities could of helped missed out so ACM could make a profit.

As “the government has no way of holding the private operator accountable for how they provide the service.” Andrews J p21 This led to the private operate being able to “exploit charitable organisations to fulfil its contractual requirements in an attempt to maximise its profits.” Andrews J, p22

The second part of the payment correctional day to day running of the gaol. In 2003 it was revealed that the Arthur Gorrie Correctional centre run by ACM planned to use prison inmates as labour to increase its profit margins. They planned to do this by



replacing prison officers with inmates in the kitchen. Thus saving on wages. The unions prevented this from occurring. Private Prisons Report International May 2003.

Whilst in this incident it was prevented by the unions, the system should never have allowed this to take place.

The third component of the fee paid to private prisons is the performance linked fee which unfortunately is open to corruption as. " In Woomera, it appeared that ACM failed to report incidents which would impact on profit levels. In 2000 media attention brought to light the fact that ACM failed to report the alleged rape of a 12yr old boy, it was reported that ACM was reluctant to disclose information because it would lead to a financial penalty of \$20 000." Nolan 2000

If we look at June Private prison in N.S.W "there was a riot, and this riot wasn't even mentioned in the annual report of the monitors about the prison. It was quite a major riot and obviously they didn't quite conceive, or their superiors did not quite conceive their role as dealing with the feel of what's happening in the prison, the ethos, they were more concerned with tick -a-box kind of monitoring."

Haulton L 1997

"Prison privatisation represents the governments abdication of one of it's most basic responsibilities to its people. The government has a responsibility to see that the laws are enforced and its offenders are punished. Transferring the provision of Corrections to the private sector is tantamount to transferring an important element of government responsibility."

Field J (1986- 1987)

Thank you for the opportunity to express our views on the Privatisation of Government Correctional Centres.

### Research

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