

REPORT ON PROCEEDINGS BEFORE

PORTFOLIO COMMITTEE NO. 4 – LEGAL AFFAIRS

**PARKLEA CORRECTIONAL CENTRE AND OTHER OPERATIONAL
ISSUES**

CORRECTED PROOF

At Macquarie Room, Parliament House, Sydney on Friday 18 May 2018

The Committee met at 1:30 pm

PRESENT

The Hon. Robert Borsak (Chair)

The Hon. David Clarke

The Hon. Scott Farlow

The Hon. Trevor Khan

The Hon. Daniel Mookhey

Mr David Shoebridge

The Hon. Lynda Voltz

PIETER BEZUIDENHOUT, Managing Director, GEO Group, sworn and examined

KEITH KETHEESWARAN, Director Governance and Performance, GEO Group, sworn and examined

DOMONIQUE KARAURIA, Director Correctional Services, GEO Group, sworn and examined

RICHARD LAWS, General Manager, Parklea Correctional Centre, GEO Group, sworn and examined

The CHAIR: Welcome to the first public hearing of Portfolio Committee No. 4 — Legal Affairs, Inquiry into Parklea Correctional Centre and other operational issues. The inquiry is examining a range of matters regarding the management of Parklea Correctional Centre as well as investigating Rapid Build dormitory prisons and the benchmarking of prisons in the State. Before I commence I acknowledge the Gadigal people, who are the traditional custodians of this land. I pay respect to the Elders past and present of the Eora nation and extend that respect to other Aboriginals present. Today is the first hearing of the inquiry. There will be further hearings in August and September. Today we will receive evidence from the GEO Group, which manages Parklea Correctional Centre as well as other correctional services in New South Wales.

Before we commence I will make some brief comments about the procedures for today's hearing. Today's hearing is open to the public and is broadcast live via the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I remind media representatives that they must take responsibility for what they publish about the Committee's proceedings.

It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at the hearing. I urge witnesses to be careful about any comments they may make to the media or others after you complete your evidence as such comments will not be protected by parliamentary privilege if another person decides to take an action for defamation. The guidelines for broadcast of proceedings are available from the secretariat.

There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take the question on notice and provide an answer within 21 days. Witnesses are advised that any messages should be delivered to Committee members through the Committee staff. To aid with the audibility of this hearing I remind both Committee members and witnesses to speak into the microphones. In addition, several seats have been reserved near the loud speakers for persons in the public gallery with hearing difficulties. I remind everyone to turn their mobile phones on to silent for the duration of the hearing. Would you like to start by making a short opening statement?

Mr BEZUIDENHOUT: Thank you, Mr Chairman, I would appreciate the opportunity. I appreciate the opportunity of presenting to you today, or being present at the inquiry and for the fact that you visited the facility this morning. By way of background, GEO commenced operations in Australia some 26 years ago and we currently manage five facilities across New South Wales, Victoria and Queensland. We house just over 5,000 prisoners which is about one in seven or one in eight of all prisoners in Australia is housed by us. Worldwide the group manages 141 facilities with about 100,000 beds and employ 23,000 people. In Australia we employ just over 2,000 people, including at Parklea.

In New South Wales we commenced the operation at June in 1993 and we had our 25-year anniversary a short while ago. We have operated Parklea since October 2009 when it transitioned from the public sector to the private sector. It was at that time recorded as being the first time in the correctional industry history that a fully operational facility transferred to a new operator or to an operator from public to private while it is operational. It is not that significant, what is significant is that we had to do it within 30 days. Parklea currently houses, as you saw this morning, about up to 1,100 prisoners. As we said this morning, it has 30,000 plus movements a year. It is arguably one of the most complex and busy centres in Australia.

Enough about GEO. I would like to talk a little bit about some of the misconceptions that exist, or dispel some of the misconceptions that are held about private corrections. Often statements refer to us we only want prisoners to return because it will allow us to make more money and we do not do anything to break the reoffending cycle. That is totally inaccurate. Across the globe GEO runs evidence-based rehabilitation programs with over 30,000 inmates participating daily in these programs. Breaking the cycle of recidivism is also critical in the sense that you need to not only provide prisoners with in-prison programs but establish them in a community and help them with successful reintegration. GEO has developed a model called the GEO Continuum of Care that really supports that model. We have such a fundamental belief in continuity of care that

GEO in America has implemented it across a number of their facilities at their own cost. New South Wales Parklea and Junee certainly also fully support that.

At Parklea we have a program called Refrain and in the case of Refrain we had 760 inmates from the works release area over a period that went through the facility. Of that, 768 inmates were split into two groups, a control group and a non-control group. The control group was people that did not have programs and the non-control group was people that we helped with reintegration services through Refrain. Of course, it is already people in minimum security and works release where the recidivism rate is normally lower and in the particular case of the control group it was around about 30 per cent. But in terms of the recidivism, in other words the return to prison in the group that was part of the Refrain program, it was 16 per cent, almost half.

We had a similar program for Indigenous inmates at Junee, which is Exit 180, where we had recidivism rates for the people that participated in that as low as 8 per cent. Those are significant achievements. In terms of programs, it is interesting. This is a graph generated by the department and what you see is all the prisons in the State. It is a graph and I have copies if you want it. It is called "Program participation index", and it shows you how many people, inmates, go through the process. The two tall graphs that you see on the right hand corner, Parklea is the highest and Junee is the second highest, and then all the public prisons follow. The statement that GEO does not do anything to break the cycle of reoffending is hardly substantiated by anybody and is really false.

The CHAIR: Would you like to table those papers?

Mr BEZUIDENHOUT: Yes. It is also often suggested that private operators influence sentencing decisions and choose which inmates they will transfer in and out of the facilities. This is also absolutely not true. We have no influence on the sentencing decision. We have no influence on who comes to us. We accept and hold the people under the direction of the jurisdiction in which we operate and for the period determined by the judicial system. A third misnomer is that private operators are often accused of being solely focused on making a profit. This is a banal view with no substance. Most organisations that you and I deal with on a daily basis are private entities that are there to make money. If we do not receive the service we expect from them or they do not deliver on their promises, we take our business elsewhere. It is as simple as that. Nothing could be further from the truth in terms of private corrections as well.

Our priority is therefore to fully deliver on what we are contracted to provide and exceed our delivery targets and contractual obligations. I will go as far to state to you here that Junee is one of the top-performing prisons in the State. In fact I will go further, with little fear of contradiction—and it may sound arrogant—that Junee is possibly the top-performing prison in the State across a whole range of benchmarks. Why is that so? Reputation and integrity is the foundation of our business, and our reputation rests solely on our compliance and service delivery of what we do. Apart from our own internal governance and compliance scrutiny, we also fully support the State's performance and reporting regimes under which we operate, including departmental oversights, such as onsite monitoring. Against these frameworks we strive for continuous improvements in actively introducing innovations, many of which are later implemented in State-run prisons.

It is therefore our contention that until there is truly a comparable benchmarking—or whatever you want to call it—not in terms of staffing models but in terms of outcome service deliveries, key performance indicators across the State, that you will never know as a Parliament or as a public which prisons are performing well and which are not performing well. We are totally prepared to put ourselves out there and say: This is what we would like to do. Therefore, it is our recommendation that all New South Wales prisons should be subjected to common performance measures; that these performance measures are regularly reported to the New South Wales Parliament on a prison-by-prison basis; that the prison performance in New South Wales is validated by an independent authority monitoring and verifying all reporting aspects; and that a validated performance of the prisons be reported through a league table of performance and be made publicly available. That is what I have to offer you today, sir. Thank you.

The CHAIR: Thank you very much.

The Hon. LYNDIA VOLTZ: Thank you, and thank you for allowing the Committee to tour Parklea this morning. I assume you have the terms of reference in front of you for the inquiry today?

Mr BEZUIDENHOUT: Yes.

The Hon. LYNDIA VOLTZ: I refer to paragraph (e):

any possible contraventions of the contract between the NSW Government and the GEO Group,

As a starting point, GEO has not tendered for the new contract, is that correct?

Mr BEZUIDENHOUT: No, that is not correct. GEO put in an expression of interest. We were not selected to be part of the three successful entities that will be tendering.

The Hon. LYNDA VOLTZ: Has the Government given you an explanation as to why you were not selected?

Mr BEZUIDENHOUT: The formal feedback we received was that our expression of interest submission was not of the same standard—or same quality for that matter—as the three others that were selected.

The Hon. LYNDA VOLTZ: Let us go to the YouTube video with the knife. At the time the Minister said on the radio that it was a significant failure at Parklea. Do you want to make any comment on that incident and what actually happened?

Mr BEZUIDENHOUT: Are you referring to the YouTube video that was uploaded in July last year?

The Hon. LYNDA VOLTZ: That is right, yes.

Mr BEZUIDENHOUT: I can give you some background—and any of these people must please assist. The particular inmate—let me start before that.

Mr DAVID SHOEBRIDGE: You understand there are two issues to look at. One is the incident, and the other one is the uploading of the footage. They are two quite discrete issues.

The Hon. LYNDA VOLTZ: Let him answer.

The Hon. TREVOR KHAN: Let The Hon. Lynda Voltz ask her question.

Mr DAVID SHOEBRIDGE: She can set it up.

Mr BEZUIDENHOUT: If I do not answer, please ask the question again.

The Hon. LYNDA VOLTZ: I ask you to elucidate.

The Hon. TREVOR KHAN: Let The Hon. Lynda Voltz ask her question first.

Mr BEZUIDENHOUT: The particular video was filmed in August 2016. The inmate was transferred from Parklea very soon after that, not because we were aware of the video but because it was part of the normal process, and he was transferred to the public system. He was released in July, and very soon after he was released the video was uploaded. So that is how the video came to the fore. We had information the time before that, or intelligence that we have a staff member who is introducing contraband and possibly through the kitchen process. That particular staff member—as with all allegations of corruption or inappropriate behaviour by staff, we report to CSNSW, we report it to the appropriate authorities, including the police, or CSIU in the case of CSNSW.

The Hon. TREVOR KHAN: Can I ask that you not use acronyms?

Mr BEZUIDENHOUT: CSNSW: Corrective Services NSW. CSIU is Corrective Services Investigation Unit, which is a police unit attached to Corrective Services.

The Hon. DANIEL MOOKHEY: To clarify, when you say you reported it, when did you report it?

Mr BEZUIDENHOUT: At the time. Whenever we receive intelligence that there is some inappropriate behaviour or corrupt behaviour, we do not sit on it at all. Let me backtrack: We have an office of professional integrity and that is independent of any of the centres. It is a head office function, headed up by a former investigator from the Independent Commission Against Corruption [ICAC] who, if there is any intelligence in the prison, will commence an investigation.

The Hon. DANIEL MOOKHEY: In relation to this incident, when was the first report filed with Corrective Services.

Mr BEZUIDENHOUT: We had intelligence about the officer introducing contraband. That was reported—I cannot tell you but at the time, whenever it was—long before the incident. What is more important, with this particular YouTube video, our intel staff were the people who searched and continuously search and they found the YouTube video on the internet and we reported it. It was found on the Friday and we reported it to the department on the Saturday. That is correct?

Mr LAWS: That is correct.

Mr BEZUIDENHOUT: I remember correctly. That is almost 12 months after the event happened. The inmate took the video in August, he was transferred in September and he released the video in July. The day

after we found it we reported it to Corrective Services. Sorry, I do not know now, Mr Shoebridge, if that is answering your question, or Ms Voltz.

The Hon. LYNDA VOLTZ: There is a media release from the Minister on 18 July that says:

I was appalled when I saw the inmate's video and we immediately advised the operator ...

But at that point Corrective Services would have been well aware of the incident of the weapon? The date of the incident is 18 July 2017.

Mr BEZUIDENHOUT: Weapon?

The Hon. LYNDA VOLTZ: The actual incident involving that inmate in the prison whom you shifted.

Mr LAWS: Corrective Services would have been aware—I am not very good with dates—but earlier on at the time we had information about the trafficking of contraband into that area and the existence of mobile phones. It was in that specific area where the inmate was housed and there were suspicions against a staff member involved, and those matters were reported to the department.

Mr BEZUIDENHOUT: At the time.

Mr LAWS: At the time, and referred to the Corrective Services Investigation Unit, which is the police. So that was at the time.

The Hon. SCOTT FARLOW: At the time being July 2016, is that correct?

Mr LAWS: And prior to. As I say, we have an investigation capability, an internal one, and that works continually in relation to any allegations of corrupt or criminal conduct, and those are always reported through that office to Corrective Services, and were at the time.

The Hon. LYNDA VOLTZ: Did Corrective Services raise with you at the time you reported it any concerns over the way you were conducting searches or the detection of contraband?

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Mr BEZUIDENHOUT: Following the release of the YouTube video in July—and I cannot remember the exact date—the department commissioned a wellbeing audit of the facility. I do not have a date in front of me. The department will be able to tell you, but it was not long after the YouTube incident that the department commenced the investigation. I think it was about 30 days—not an investigation, an audit.

The Hon. LYNDA VOLTZ: That was a complete review of security and safety?

Mr BEZUIDENHOUT: Yes.

The Hon. LYNDA VOLTZ: Did you get the outcomes from that complete review?

Mr BEZUIDENHOUT: Yes.

The Hon. LYNDA VOLTZ: What were the main points raised in that review?

Mr BEZUIDENHOUT: The main findings were that the facility is safely and securely managed, that GEO complies inherently with its contractual obligations and that there are some work practices—

Mr KETHEESWARAN: There were three major findings. The first one was that the prison itself was inherently safe. The second finding was that the GEO Group was contractually compliant in all significant respects. The third finding was that there were some work practices that needed improvement.

Mr DAVID SHOEBRIDGE: What were they?

Mr KETHEESWARAN: There were a series of them. Mr Karauria might be able to tell you about the operational factors in terms of the gatehouse.

Mr KARAURIA: It was the daily operational controls surrounding our vulnerable areas and obviously on this morning's visit you saw that the gatehouse is a key area for us. The department identified that we could improve—strengthen our controls at the gatehouse. Our barrier controls as well, they felt that our intelligence team and our dog teams, the canine teams that we have at Parklea, could be utilised more efficiently and more effectively. Our searching processes in terms of our search patterns, how we do our searching and how we schedule our searching was also identified as an improvement. From my perspective, after 30 years in corrections, you can always improve those practices.

Mr DAVID SHOEBRIDGE: First of all, how was the video captured and how on earth did it find itself leaving your facility and having a separate life on the internet?

Mr KARAURIA: The video itself, we believe, was filmed on a contraband mobile phone that was smuggled—it was trafficked into the centre by the inmate or another inmate, and that inmate has accessed that mobile phone. That is how the footage was taken. In terms of how that was uploaded to YouTube, obviously that inmate has taken that mobile phone with him once he has been transferred from Parklea Correctional Centre to his goal of classification and then waited until he was released and then he has uploaded that, or somebody—

Mr BEZUIDENHOUT: About a year later, almost a year later.

Mr DAVID SHOEBRIDGE: There are three significant security breaches from that one incident. Smuggling the phone in, having the phone available and filming, and smuggling the phone out again. I was hoping you would address clearly and plainly how that happened.

Mr LAWS: Potentially—we do not know for sure that the phone was taken out. It is possible with an electronic phone that the video footage could have been transmitted to somebody else who could have held it and it could have been uploaded at another time.

Mr DAVID SHOEBRIDGE: That changes the nature of the third approach.

Mr LAWS: Absolutely.

Mr DAVID SHOEBRIDGE: Did you find out how it happened?

Mr BEZUIDENHOUT: There is continued vigilance, and you saw this morning when you were at Parklea that we are trying to detect and deter the introduction of contraband, including mobile phones. It is no different in the public system. You may recall—if you do not, you can ask the department and they can enlighten you—as recent as two or three months ago there was a video in one of the public prisons where a prisoner is walking around and, on more than one occasion, he is filming other inmates in the facility and uploaded it to YouTube as well. That was not in our facility; that is in the public prison.

The Hon. TREVOR KHAN: I do not want to identify it, but we saw a piece of equipment in the reception area. Is it your evidence that that piece of equipment is not available generally in the public?

Mr BEZUIDENHOUT: That particular equipment was called a Cellsense that we introduced at Parklea and, to the best of my recollection, the public system has now introduced it into the public prisons.

The Hon. SCOTT FARLOW: Was that piece of equipment there in 2016?

Mr BEZUIDENHOUT: No, it was not.

Mr KARAURIA: As part of the wellbeing report and improving our barrier controls, we introduced that technology to assist us in terms of discovering any contraband, such as contraband mobile phones. The reason that Corrective Services NSW also took the opportunity to introduce that technology is because they had the same problems that we had at Parklea in terms of the introduction of mobile phones.

Mr BEZUIDENHOUT: I want to show you the size of what we are dealing with. I do not know if you can see the little white one here, but it is basically the size of my thumb. That is a mobile phone that you can buy for \$21 off the Internet. Here is a slightly larger one with greater capability and capacity, but that is what you are dealing with.

The Hon. TREVOR KHAN: Are those capable of taking a video?

Mr BEZUIDENHOUT: Not this—

Mr KARAURIA: Not these two.

The Hon. SCOTT FARLOW: But the other one is, is it?

Mr DAVID SHOEBRIDGE: No, I do not think either of those can take a video, can they?

Mr BEZUIDENHOUT: I am not sure about this one, Mr Shoebridge, but this one, definitely not.

The Hon. LYNDIA VOLTZ: Can we go back to the starting point of the incident. You identified that the breach may have been a staff member as opposed to an item smuggled in.

Mr KARAURIA: That is correct.

The Hon. LYNDIA VOLTZ: That puts a different dynamic on the technology, particularly, with regard to the detection of mobile phones. As we know, you need to be standing in close proximity to that piece

of equipment to be identified and prisoners are brought in through there so that they are in close proximity, but that would not necessarily be true of staff, would it? Run me through what actions you are taking with regard to staff and contraband?

Mr KARAURIA: Certainly. In terms of GEO and Parklea, and Junee correctional centres as well as Correctional Services NSW facilities, we have an anti-corruption plan. That anti-corruption plan is not to target our staff; it is to protect our staff. We go through a process of carrying out random targets, searching of our staff, and we also do random drug-testing of our staff and alcohol-testing of our staff as well. The reason we do that is to protect our staff. If our staff are approached by an inmate and the inmate is trying to solicit the staff member to bring contraband in, it makes the staff member think twice because we introduced those measures to minimise the trafficking of contraband into correctional centres, especially by staff members.

The Hon. LYNDA VOLTZ: Following on from the Minister's media release, they did a swoop on the Parklea Correctional Centre that identified nine mobile phones; is that correct.

Mr KARAURIA: That is incorrect.

The Hon. LYNDA VOLTZ: That is incorrect?

Mr KARAURIA: Yes. I think the search you are talking about was—

Mr DAVID SHOEBRIDGE: Prior to.

Mr KARAURIA: Correctional Services NSW, as a consequence of that and other incidents that had occurred around the State, decided it would do a statewide search operation.

Mr DAVID SHOEBRIDGE: But they found nine mobile phones.

The Hon. LYNDA VOLTZ: At Parklea.

Mr DAVID SHOEBRIDGE: The Minister says they found nine mobile phones at Parklea.

Mr KARAURIA: That is correct. There were nine mobile phones located.

The Hon. LYNDA VOLTZ: In Parklea?

Mr KARAURIA: Yes.

The Hon. LYNDA VOLTZ: That is right. Given the incident that was raised with one and then there was a swoop that turned up nine. Obviously nine is a significant number of mobile phones to be found.

Mr DAVID SHOEBRIDGE: It says that 1 per cent of your inmates had a mobile phone.

Mr KARAURIA: That is correct.

Mr DAVID SHOEBRIDGE: Which is a lot.

Mr LAWS: That was not the first time mobile phones had been found either. We regularly search for mobile phones and we regularly find mobile phones. That is a fact across all jails in the State. Mobile phones are a problem when they get into prisons.

The CHAIR: Before you proceed, can you pass those ones around so that we can have a look?

Mr BEZUIDENHOUT: They are in evidence bags so please do not remove them.

The CHAIR: No, we will not take them out.

The Hon. TREVOR KHAN: We will not take them out of the bag; we do not know where they came from.

The Hon. LYNDA VOLTZ: Although we have suspicions, which is what worries us.

Mr KARAURIA: Yes, please do not take them out of the bags.

The Hon. SCOTT FARLOW: You say you do regular swoops. What is a regular swoop? How often is regular? What does it involve?

Mr LAWS: In relation to staff or inmates?

The Hon. SCOTT FARLOW: Both.

Mr LAWS: In relation to staff, everybody is screened coming into the centre at all times, and then we do—

The Hon. TREVOR KHAN: That means they go through the scanner that we went through?

Mr BEZUIDENHOUT: Yes.

Mr LAWS: The gunning and everything like that. That search is—

The Hon. TREVOR KHAN: It not only sets off my hips, it sets off other things as well.

Mr LAWS: Every day that takes place. In addition, we do a monthly staff search operation, which is on a date and at a time that only I am aware of and my intelligence staff. They will conduct searches of staff entering, so full searches, and screening. That includes searching with passive alert drug detection dogs. It is a regular occurrence, and it is supervised by senior staff at the gatehouse.

Mr BEZUIDENHOUT: Maybe you could inform the Committee about the additional technologies that we have introduced into Parklea.

Mr LAWS: Yes. Even prior to this incident we have trialled and recommended innovative technology, as I would describe it. I do not want to add the details of it because I do not want to make inmates aware of it and weaken our strategies but suffice to say if a mobile phone is brought into an inmate accommodation area where we deploy this equipment, we will be able to pinpoint the cell in which that phone is used.

Mr BEZUIDENHOUT: And we go and search it.

Mr LAWS: And then we go and target that cell and recover the phone.

Mr DAVID SHOEBRIDGE: I hear you say that contraband is found in other prisons, and everybody agrees with you; mobile phones are found in other prisons, and everybody here will agree with you. The issue here is the rate at which contraband is being found in Parklea compared to other prisons. I am sure you have looked at Corrective Services' submission. I invite you to go to page 63 of that submission if you have it in front of you.

Mr BEZUIDENHOUT: I do not have it in front of me.

The Hon. LYNDA VOLTZ: Perhaps you could read it out.

Mr DAVID SHOEBRIDGE: It is a table, that is all, and it is easier to have it in front of you. It shows that Parklea has a stubbornly consistently higher rate of contraband per hundred prisoners than comparable prisons so findings in the mid to high 40s, sometimes over 50 incidents of contraband per hundred prisoners and comparable prisons are about half that. That is what you need to explain for me.

Mr LAWS: If I can make a comment on statistics generally in relation to the seizure of contraband and using statistics that relate to seizures as a measure, the issue in relation to that is that when you say comparable to another centre, does that mean that because we found more mobile phones, for example, that our searching is better or does it mean that the facility that we are then compared with has not searched as well or does it mean therefore that we have more phones and they have less, so the measure of how many phones are found does not necessarily indicate how many phones are in a facility. Am I making sense?

Mr DAVID SHOEBRIDGE: That is one point. What you have in Parklea, say in 2014-15, was 51.4 contraband finds per hundred prisoners—50 per cent, if you like?

Mr LAWS: That is so.

Mr DAVID SHOEBRIDGE: Then the comparable rate in public prisons in the Metropolitan Remand Centre in Wellington is 28. Are you saying they are doing half the searches or they are half as capable as you at finding contraband?

Mr LAWS: Mr Shoebridge, what I am saying is that, first of all, if you are talking numbers of phones seized then you are counting phones that have been found not just in the centre but you are counting phones that have been found at the barrier or attempts to introduce phones, or phones that people have made attempts to throw over the fence and we found. So if you are counting finds, it does not necessarily say that there is anything wrong with the way the facility is being operated. In fact, finding contraband is a good thing, and you are dealing with statistics there that relate to contraband that has been seized and many of those phones were prevented from entering the centre.

Mr DAVID SHOEBRIDGE: You would be pleased to know that part of your answer is irrelevant because to improve comparability, incidents of contraband detection have been restricted to secure custody areas of the prisons, so we are not talking about at the entrance area, we are talking about inside your prison where contraband should not be.

Mr KARAURIA: And that is correct, Mr Shoebridge. I guess what Mr Laws is alluding to is the contraband statistic is about the contraband found; it does not explain where the contraband—

Mr DAVID SHOEBRIDGE: But you can agree at the outset, though—

The Hon. TREVOR KHAN: David, just let him—

Mr DAVID SHOEBRIDGE: —it is not about mobile phones being found on visitors; it is inside the jail.

The Hon. TREVOR KHAN: Point of order: Mr Chair, everything has gone well, with the temperature low. The witness is attempting to answer the question. He should be allowed to answer without being interrupted almost immediately. This is being done quite pleasantly and it should continue that way.

The CHAIR: I uphold the point of order.

Mr KARAURIA: Mr Shoebridge, as I was saying, the contraband statistic is about the contraband that is found in a correctional centre; it does not explain whether the contraband was actually found in the possession of an inmate. The point that I would like to make is that we use efficient and effective searching measures. We have a search matrix that is utilised every day, so we search a specific number of inmate accommodation areas every day. Our intelligence team is one of the most efficient teams that we have within our organisation so we target specific inmates, areas, cells, whatever, to find contraband and it has been very effective for us. And, yes, we have had contraband in our correctional centre, just like every other correctional centre, but we make it our damndest commitment to try to find that contraband, to detect that contraband. Sometimes that contraband is in the possession of the inmates. A lot of the time it is not.

Mr DAVID SHOEBRIDGE: But the contraband we are talking about here is in the secure custody areas.

Mr KARAURIA: That is correct, sir.

Mr DAVID SHOEBRIDGE: It might not be in their physical possession; it may be hidden somewhere else in the facility?

Mr KARAURIA: That is correct, sir.

Mr DAVID SHOEBRIDGE: So either the inmates have brought it in or staff brought it in, so simply saying it is not in the custody of inmates does not really help you; it is actually probably worse, is it not?

Mr KARAURIA: No. The point I want to make too is the infrastructure that we have to work with. As you saw in today's visit, you saw the ability that visitors or members of the general public may have in terms of throwing contraband into our centre.

Mr BEZUIDENHOUT: Could I also ask you to maybe ask a question of the department. I see they talk about comparable prisons but you may recall—and we did take you there today—Parklea has a minimum security facility, which houses—

Mr DAVID SHOEBRIDGE: You do not have to worry as I will be asking Corrective Services questions—

Mr BEZUIDENHOUT: —so it could well be that there is a higher number of contraband.

Mr KARAURIA: —a higher number of contraband; where there will be a higher number of contraband found there simply because people go out and come in.

Mr DAVID SHOEBRIDGE: Before we leave these figures—and this goes back to where you started this, Mr Bezuidenhout, you are urging benchmarking as a way of us assessing prison performance?

Mr BEZUIDENHOUT: Yes.

Mr DAVID SHOEBRIDGE: The difficulty on benchmarking, say, the number of contraband items found per hundred prisoners is the very difficulty that Mr Laws was raising at the beginning—if you do not look, you do not find. The figures look great and you meet your targets. But if you do look and you do find, your figures look bad and you fail your targets. You have this observed-observer problem. How do we address that in benchmarking?

Mr BEZUIDENHOUT: What has happened at Parklea and Junee is we have departmental monitors on site so they will know whether we do the right thing, whether we report whatever happens and make sure that we follow all operational procedures. That is what we are basically saying: That same model should be

implemented: if you want a true comparison, make sure that everybody is reporting the facts and reporting accurately. For that reason they will have to employ monitors across the public system.

The Hon. DANIEL MOOKHEY: Mr Karauria, you gave the scenario of people throwing contraband into the prison?

Mr KARAURIA: That is correct.

The Hon. DANIEL MOOKHEY: And you nominated Parklea as being more susceptible to that problem than other prisons, is that correct?

Mr KARAURIA: Yes.

The Hon. DANIEL MOOKHEY: Presumably you investigate these incidents of contraband, that is, you discover and then try to ascertain why and how it arrived, is that correct?

Mr KARAURIA: Certainly.

The Hon. DANIEL MOOKHEY: Do you do that in respect of all incidents?

Mr KARAURIA: If the incident itself represents a major risk to the safety and security of the centre.

The Hon. DANIEL MOOKHEY: Therefore, you would be in a pretty good position to describe two aspects: Firstly, what have you already discovered as qualifying for that category and how many of the incidents that Mr Shoebridge referred to can be accounted for by those explanations and, secondly, what is your theory for why contraband is arriving in Parklea prison?

Mr KARAURIA: Answering the first question as to what have we found, particularly in area 5 at Parklea we have found a lot of contraband items inside the perimeter wire but not inside the exercise yards, so they have been thrown over the fence—

The Hon. TREVOR KHAN: That is what is called a sterile area?

Mr KARAURIA: In the sterile zone.

Mr LAWS: So they have fallen short.

The Hon. DANIEL MOOKHEY: So is it your view that lots of people are coming in and throwing things into the prison?

Mr LAWS: Yes.

Mr BEZUIDENHOUT: That sounds like an over-exaggeration—

Mr KARAURIA: I would not say lots—

Mr BEZUIDENHOUT: —but there have been incidents.

Mr KARAURIA: But there is an element doing that.

The Hon. DANIEL MOOKHEY: That is one category of how contraband arrives.

Mr KARAURIA: Yes.

Mr DAVID SHOEBRIDGE: You must have some data on this?

The Hon. DANIEL MOOKHEY: I was just going to identify all the categories and then go through the data. One category is uninvited people donating things to the prison?

Mr KARAURIA: Certainly.

The Hon. DANIEL MOOKHEY: What about the next category?

Mr KARAURIA: The next one is probably one of the most obvious for us, and we certainly monitor it closely to ensure that it does not occur, and that is through our visitors trafficking contraband into the centre or attempting to traffic contraband into the centre.

The Hon. DANIEL MOOKHEY: Would staff be amongst the major categories?

Mr KARAURIA: Very much so. You never discount that staff members may have been corrupted and may be attempting to traffic contraband into the centre.

The Hon. DANIEL MOOKHEY: Are we missing any other major category in how contraband arrives?

Mr BEZUIDENHOUT: Inter-prison transfers. You were not present at the tour this morning when we explained to the rest of the Committee members that Parklea also accepts what is called "fresh custodies". These are people from the street or from police cells and/or people who have contravened bail conditions. They have a greater opportunity of secreting mobiles or contraband.

The Hon. DANIEL MOOKHEY: You can take this question on notice. How many contrabands are coming over the walls? How many contrabands are coming in through inter-prison transfers? How many contrabands are being trafficked by visitors?

Mr DAVID SHOEBRIDGE: And how many do you not know?

Mr KARAURIA: We will have to take that on notice to ensure that we respond to the Committee correctly.

The Hon. DANIEL MOOKHEY: How many incidents and how many staff are we talking about in the number one category?

Mr BEZUIDENHOUT: As we said, every bit of intelligence we receive about staff corruption is immediately reported to the department and to the Corrective Services Investigation Unit [CSIU]. In a number of cases the Corrective Services Investigation Unit takes over the investigation because they do not want us to be compromised and they can do all sorts of things that we cannot do. The latest one that we had was a staff member who brought in tobacco. We had intelligence and we reported it. We kept her under surveillance inside the prison—because it was the thing that she was introducing there—and on a Sunday about three months ago, if I remember correctly, we saw that the person was acting suspiciously. We had her under CCTV surveillance. We saw her basically leave a parcel in a bin and a prisoner picked it up and we called the CSIU police who came in and arrested her. That was about three months ago.

The Hon. DANIEL MOOKHEY: You said you report all instances that you believe have reached the reporting threshold. How many have you reported?

Mr BEZUIDENHOUT: We will have to take that on notice. I cannot tell you the number offhand.

The Hon. DANIEL MOOKHEY: Is it a large or small number?

Mr LAWS: To the best of my knowledge we have not had a staff member charged by the police with bringing a mobile phone in.

The Hon. DANIEL MOOKHEY: I am asking how many people you have reported to Corrective Services who qualify as being suspicious or worthy of an intelligence report such as the Mr Bezuidenhout has just described and who have been charged by police?

Mr LAWS: We would have to take that on notice but certainly those reports have been made.

Mr BEZUIDENHOUT: If you are asking the magnitude, it is not 50, it is not zero, it is possible less than—

Mr LAWS: I suspect maybe three or four.

The Hon. TREVOR KHAN: Do not guess. Take the question on notice.

Mr LAWS: We will take it on notice.

Mr DAVID SHOEBRIDGE: Perhaps the issue is not charged by police; it is the number of staff who have been terminated because of these concerns?

The Hon. TREVOR KHAN: Let us see what they come back with.

Mr DAVID SHOEBRIDGE: I am asking for a different set of data because charged by police is a very high threshold. I am asking about staff who have been terminated as a result of suspected breaches of security and contraband.

The Hon. DANIEL MOOKHEY: And also suspended. Presumably as a preliminary step under your policies you would suspend and investigate before deciding if employment action is necessary, would you not?

Mr LAWS: That is correct.

The Hon. DANIEL MOOKHEY: Are you able to provide that to the Committee on notice?

Mr LAWS: Absolutely.

The Hon. TREVOR KHAN: Earlier today when we went through reception it was indicated that Parklea is one of our highest trafficked facilities; it has a lot of prisoners turning over in any period of time. Parklea is essentially a remand facility, is that correct?

Mr LAWS: That is correct.

The Hon. TREVOR KHAN: I noticed that one of the comparable jails is Wellington, which I do not think is a remand facility. Does the high traffic coming from remand create a series of security issues for you? If so, what are they?

Mr LAWS: In relation to contraband?

The Hon. TREVOR KHAN: I am asking about security issues. We have talked about contraband but there may be others.

Mr LAWS: Particularly in relation to contraband. With any individual who has been in custody before and is aware that they are likely to be going into custody, there is a propensity for that individual to secrete or swallow contraband knowing that they are going to be coming into custody and then remove or pass that contraband once they are in custody inside the facility

The Hon. TREVOR KHAN: For instance, somebody who is appearing before the Tamworth Local Court knowing that they are likely to be binned that day, may well come armed for the circumstances of making their time in custody a little bit easier—or so they think?

Mr LAWS: Yes.

Mr BEZUIDENHOUT: Just as an illustration, in a recent transfer when an inmate came off a truck he looked unsteady and there were concerns. He was taken to the Justice Health clinic and at that stage they determined it was best that he go to hospital. Mr Laws will tell the story about how he had swallowed—

Mr KARAUARIA: The incident was that he came to us on the escort vehicle and he was observed to be unsteady on his feet. We put him into our detox area to observe him. Justice Health were monitoring him. It got to about a two-hour period and Justice Health determined that he needed external assessment and treatment. He was taken to Blacktown Hospital where nine balloons of contraband that the inmate had consumed were removed.

The Hon. TREVOR KHAN: That is quite a number. The contract that the GEO Group entered into back in 2009 is annexed to the Corrective Services NSW submission. How much of your practice in reporting incidents is covered by the contractual terms and how much of it has been developed from your interactions with Corrective Services?

Mr KETHEESWARAN: The contract specifies reporting obligations consistent with the reporting obligations that exist in public correctional centres as well. The regulations that govern incident reporting are identical to all prisons right across New South Wales. Non-adherence by anybody, particularly a privately operated centre, would then invite either contractual sanctions and/or financial penalties.

The Hon. TREVOR KHAN: In 2008 I visited Junee during the inquiry that was held at that time and I also visited Parklea during that same inquiry. That was in the lead-up to John Robertson intending to privatise Parklea and Cessnock jails, although that did not go ahead. It is my understanding that your performance at Junee has not been the subject of criticism in any way—and correct me if I am wrong—but that Parklea has been identified as problematic. Are you able to identify why the same company is capable of doing one apparently well and the other—without being too judgemental—not so well? What has gone on?

Mr BEZUIDENHOUT: There are a number of reasons and it is not necessarily to say that Parklea is not performing well.

The Hon. TREVOR KHAN: I was not seeking to be judgemental but there is a perception at the very least that there is a difference in them.

Mr DAVID SHOEBRIDGE: You have asserted that Junee—

Mr BEZUIDENHOUT: It is a top performer.

Mr DAVID SHOEBRIDGE: So by definition, on your assessment, Parklea is performing worse?

Mr BEZUIDENHOUT: Yes. You cannot have two at number one.

Mr DAVID SHOEBRIDGE: But you also said that without benchmarking you cannot tell which is number one, so that was more awkward.

Mr BEZUIDENHOUT: The first reason was there was a significant high level of media scrutiny of Parklea following the YouTube incident. I can give you a practical example.

Mr BEZUIDENHOUT: It was widely publicised in the media that an officer was stabbed at Parklea and the only thing that saved him from a life-threatening stabbing was his name tag. The truth of the matter is that that is absolutely false, incorrect and misleading. The officer was stabbed by a mental health inmate, but by stabbed I mean that his elbow was scratched. He went to the clinic, the clinic sent him to the hospital to see if anything needed to be done, and he came back with a Elastoplast plaster on his elbow and went back on duty. The media widely accused that the facility was not well managed because the officer barely avoided death. I am not blaming the media—I think the media were fed a lot of information from factions of people who had agendas relative to privatisation. But Parklea did become a very soft target for that. Secondly, Junee is performing better than Parklea on a number of benchmarks simply because of the nature of the prison. It is really difficult to compare a remand facility with 30,000 plus movement to a facility such as Junee, which has less than 10,000 movements per year.

Mr KARAURIA: That is correct.

Mr BEZUIDENHOUT: The minute you have got a prison with a population that is stable where prisoners have already been sentenced and know they are there to serve their time and will then be released, they are better behaved. It is acknowledge and recognised and research proves that remand facilities around the world have higher numbers of assaults, contrabands and everything else that they could have.

The Hon. TREVOR KHAN: The final concern I have arising out of today is that when I spoke with a number of the prison officers, I observed that they were clearly unsettled and concerned about their future. Is that a concern that you have identified and, if so, how are you addressing it or how would you like to see it addressed?

Mr BEZUIDENHOUT: It is certainly a concern. We have been in discussion with the department about the issue—we are both aware of it. Transition teams from the department and GEO Group are working together already. There are a number of issues related to that. First and foremost, we need to make sure that we maintain a safe and secure prison, and there could be issues associated with any staff that are unsettled in the process. We have got to make sure that we manage the place safely and securely and we will do that. To accomplish that we need to get all of the staff settled. We have worked extensively with the staff, the department and the commissioner, who has put out notices, as have we, that indicate to staff that the new operator will give preference to new staff with equal or equivalent qualifications and experience.

The reality is that most staff, specifically custodial staff, will most likely be employed by the new operator because it simply will not have the staff, in terms of a smooth transition, to start up the facility once it happens. To give you a level of assurance, we are acutely aware of the issue, the department is acutely aware of it, and we are working together to make sure that staff get the necessary comfort that we can offer at this stage. The next break is going to be in September or October when the new provider is announced. When that happens the new provider will come and start talking to the staff.

Mr KARAURIA: It is extremely important for us, as it has always been. It is about communication. Myth can become legend very quickly within a correctional centre. It is about us ensuring that our staff have the facts and are aware of what is going on. We need to determine their future for them. We need to identify to them what their options are. Their options may be to stay with the new provider, move with GEO Group and stay within the organisation or look outside corrections altogether.

The CHAIR: I want to ask a question about Rapid Build dormitory units. In your submission you said that you house up to 30 inmates as part of the program that Corrective Services has implemented.

Mr KARAURIA: No. You may be talking about the modular units?

The CHAIR: Rapid Build dormitory prisons.

Mr KARAURIA: We do not have the dormitory prisons; we have the modular cell construction through rapid builds.

Mr BEZUIDENHOUT: Maybe it is in the department's submission, but it is not in ours.

The CHAIR: It says "This demountable unit was commissioned in December 2015 and is used to house 80 inmates as part of the—"

Mr BEZUIDENHOUT: 80, yes.

Mr DAVID SHOEBRIDGE: It is in the department's submission under "Rapid Build prisons". You are identifying—

The Hon. LYNDA VOLTZ: It was the figure of 30.

Mr BEZUIDENHOUT: It is not dormitory style; this is a different one. It is a rapid build modular unit.

Mr KARAURIA: They are modular cells.

The CHAIR: Have they been properly integrated? Because it looks like an overflow-type facility.

Mr KARAURIA: That is correct.

Mr BEZUIDENHOUT: Yes. The 80-bed unit you are talking about is currently decommissioned. It is not currently housing any inmates. The department is looking at a refurbishment project and it is with the department to do that.

Mr DAVID SHOEBRIDGE: It was opened with fanfare and closed very quietly because of the fire risk following the prison fire.

Mr BEZUIDENHOUT: I think it is best you direct the question to the department. I cannot answer it

The CHAIR: But how has it impacted the operations of the privately managed prison when, it could be argued, it has been forced upon you?

Mr LAWS: It has been forced upon us but, to be quite frank, it means I have less inmates. That is the impact.

Mr DAVID SHOEBRIDGE: It just took 80 beds offline.

The Hon. LYNDA VOLTZ: But it means more building works on the site.

Mr LAWS: Yes, that is the future impact. The refit and refurbishment will mean more contractors come through our gatehouse and more vehicles come through. We are working with the department to try to find a safe way of doing that.

Mr KARAURIA: To answer your question in terms of the context, since we have been under contract with Parklea we have had a number of variations to the contract, which we have had to make adjustments within our daily operations for to ensure that we cater for the changes that have been brought upon us.

The Hon. DANIEL MOOKHEY: How many and what were they?

Mr BEZUIDENHOUT: The latest one was in November last year when we opened a 150-bed minimum security unit outside the fence. We changed cohorts, which does not necessarily bring about a contract negotiation. We are—and I do not mean to sound like an arrogant South African—extremely flexible in our can-do ability and the department will, at very short notice, ask us to change cohorts on regular basis and we have done so over the years continuously.

The Hon. TREVOR KHAN: Can you explain what that is?

Mr KARAURIA: Certainly. When we originally took over Parklea and had the contract with Parklea—those on the tour today would have seen Area 3—Area 3 was a therapeutic unit that ran the violence prevention program and the sex offender program. Within a number of years, the number of inmates that were eligible or suitable for the program dwindled. Of course, the pressure was on the muster and bed numbers, and we had more remands coming into custody and more people in the police cells. The whole dynamic of moving the therapeutic unit back to the Metropolitan Special Programs Centre at Long Bay occurred and we had to change our processes to ensure that we changed that area, which was the therapeutic unit, into a reception unit. That was a major change for us.

Mr DAVID SHOEBRIDGE: The Hon. Trevor Khan said the contract was annexed to the submission—I did not see it.

The Hon. SCOTT FARLOW: The Corrective Services submission.

Mr DAVID SHOEBRIDGE: Well I have had a look and I have asked Committee staff. Trevor, if you could give it to me that would be great.

The Hon. TREVOR KHAN: I have seen it. I am sure I have seen it.

Mr DAVID SHOEBRIDGE: If you could show it to me that would be great. I have not seen it. Is the contract publically available?

Mr BEZUIDENHOUT: I do not think it is in the public domain. It is up to the department.

Mr DAVID SHOEBRIDGE: The only comprehensive review I have seen on the cost effectiveness of private prisons was one done by Dr Max Baker, Dr Phillip Roberts and Associate Professor Jane Andrew in 2016. Have you looked at that review?

Mr BEZUIDENHOUT: Are they from the University of Wollongong

Mr DAVID SHOEBRIDGE: The University of Sydney. The report is entitled "Prison Privatisation in Australia."

Mr KETHEESWARAN: We have looked at that but there are much later studies. The latest one was the one tabled in Parliament by the Victorian Auditor-General two months ago. Another one was done by the New South Wales Auditor-General and there was also one done by the Queensland Auditor-General.

Mr DAVID SHOEBRIDGE: Those are very limited reviews, although we can argue about the Auditor-General's ones. It appears that in each year that your facility has been operating there was a performance linked fee [PLF] paid. Is that right? Have you had a PLF each and every year?

Mr BEZUIDENHOUT: Yes.

Mr DAVID SHOEBRIDGE: That is only meant to be paid when you meet or exceed expectations. Is that right?

Mr BEZUIDENHOUT: Yes.

Mr DAVID SHOEBRIDGE: What do you have to do to get a PLF, which can be up to 2.5 per cent of the contract price?

Mr BEZUIDENHOUT: In the case of Parklea there are 35 or 29 KPIs and six service delivery outcomes.

Mr KETHEESWARAN: There are 34 for Parklea.

Mr BEZUIDENHOUT: Yes, 35 or 34. For each one of those there is a base level, a target level and an optimum level that you need to achieve. If you achieve all of that you get your performance linked fee. In this particular case I think 2.5 per cent of the total fee is withheld and then paid should you achieve those targets and so on. In the case of Junee over the last 14 years I would say we have achieved it about in 11 or 12 or maybe 13 years 100 per cent.

Mr DAVID SHOEBRIDGE: What about Parklea?

Mr BEZUIDENHOUT: Parklea would have achieved in the late 90s or high 90s over a number of years.

Mr DAVID SHOEBRIDGE: In the last full financial year—when there have been a whole series of concerns—did you get a performance linked fee?

Mr KETHEESWARAN: We did get a performance linked fee but there were also charges for financial penalties.

Mr DAVID SHOEBRIDGE: Are you expecting to get a performance linked fee this year?

Mr KETHEESWARAN: That will depend on what the results are.

Mr DAVID SHOEBRIDGE: Do you see the difficulty? The department has said it will not even allow you to progress the tender and the Minister has come out and publicly criticised you in media releases but you still get a bonus. How does that work?

The Hon. TREVOR KHAN: It is not a bonus, is it?

Mr DAVID SHOEBRIDGE: You still get a PLF. How does that work?

Mr BEZUIDENHOUT: Again, I would strongly suggest you ask the department why. We were fairly disappointed and surprised when we were not even considered to go to the next stage of the tender process. I cannot answer. The explanation given to us was on the basis of the expressions of interest submissions ours was not as strong as the others.

The Hon. TREVOR KHAN: Can we clarify the description of bonus?

Mr DAVID SHOEBRIDGE: The performance linked fee.

The Hon. SCOTT FARLOW: Mr Bezuidenhout, I think you made a comment that the 2.5 per cent was retained of the contract price. Effectively, you do not get your contract paid in full if you do not get to a certain level of service. Is that correct? It is docked, effectively.

Mr BEZUIDENHOUT: Yes. For each of the 29 or 35 items there would be a percentage attached to the performance.

The Hon. SCOTT FARLOW: You could foreseeably get a performance linked fee on 20 of them and not get them on nine and get a charge against those nine. Is that correct?

Mr BEZUIDENHOUT: Essentially, yes.

Mr KETHEESWARAN: That is correct.

The Hon. TREVOR KHAN: Is there any arbitration process, or does the department just say that you did not get there?

Mr BEZUIDENHOUT: It is a qualitative measure of program delivery. For instance, how many programs have you delivered, whether you have met your target or not.

The Hon. TREVOR KHAN: Qualitative or quantitative?

Mr BEZUIDENHOUT: Quantitative, sorry.

The Hon. SCOTT FARLOW: For instance, if you were delivering rehabilitation programs under the contract and met those requirements and that KPI you might receive your performance linked fee for that, but there might be another KPI such as contraband rates or the like for which you would not get that performance linked fee and would instead get a charge for not meeting those criteria?

Mr KETHEESWARAN: That is absolutely correct, yes.

Mr DAVID SHOEBRIDGE: What were the 29 KPIs?

Mr KETHEESWARAN: There are 34 actually.

Mr DAVID SHOEBRIDGE: There were 29 KPIs and six performance criteria or something.

Mr KETHEESWARAN: No, there are over 150 KPIs for the contract. Thirty-five or 34 of those are linked to performance.

Mr DAVID SHOEBRIDGE: I am not asking you to give all 105. You might give us that on notice. Can you talk to us about the ones that are linked to payment?

Mr BEZUIDENHOUT: As we say, there are some 30-odd of them here.

Mr DAVID SHOEBRIDGE: I am more than happy for you to tender a table if that helps, if you have it there.

The Hon. TREVOR KHAN: You do not have to do it now. You can take it on notice.

Mr DAVID SHOEBRIDGE: It would be useful if you hand it up now so we can have a look.

Mr BEZUIDENHOUT: Yes.

Mr DAVID SHOEBRIDGE: You would be aware that one of the ongoing criticisms of private prisons is that those performance criteria have not been made public to date. Nobody knows what it is you are reporting against to the department and it is next to impossible to find out from public disclosures from the department what exactly you are being paid. You would be aware of those concerns about private prisons: the absence of clear identification about what the performance criteria are and the lack of transparency about what is being paid?

Mr KETHEESWARAN: It is our submission and our recommendation in our submission that we want, in our view, private prison KPIs publicly made available and monitored independently alongside all of the prison's performance indicators. That is the only way anyone—policy setters, legislatures and the public—can know exactly how each prison is performing. That system exists, for instance, in Victoria. All prisons have got service delivery outcomes. They are publicly available. They are measured and they are reported on. Each prison will have different roles and functions and therefore they will have different thresholds, but the service delivery outcomes, the definitions and the indicators are identical for both public and private. The Victorian Auditor-General compared that and reported to Parliament specifically on how well the private prisons are

performing. Their conclusion was private prisons are performing and delivering service comparable to public prisons or far exceeding public prisons but at a significant cost reduction.

Mr DAVID SHOEBRIDGE: But we have had no transparency in New South Wales. Your company is in a position to disclose what the KPIs and payments are but you choose not to. I am giving you the invitation now. Tell us what the KPIs are for Junee. Tell us what the performance payments have been for Junee. If you say it is great, show it by your actions and tell us now or on notice.

The Hon. SCOTT FARLOW: I think they have. We have just been handed up a whole heap of KPIs, I must say.

The Hon. TREVOR KHAN: David, you have lost your point. He has handed over the document.

Mr DAVID SHOEBRIDGE: I am grateful for the document. It is the first time we have seen it. This is why it is useful to have parliamentary inquiries. I assume the document shows the KPIs for Parklea but, if transparency and disclosure is a great starting point, why do you not do it for Junee and why have you not been publicly reporting on it to date in Junee and Parklea?

Mr KETHEESWARAN: If I am not mistaken, an Auditor-General report for New South Wales—I cannot remember which year it was, it was 2013 or 2014 or something like that—did have in the appendix the indicators. I might be wrong but I can quite clearly remember seeing it. That was tabled in Parliament.

Mr DAVID SHOEBRIDGE: You are saying that the contractual reporting obligations for Junee and for Parklea have been identified in public?

Mr KETHEESWARAN: Yes, as far as I know and as far as I remember—I must admit I have not seen it recently—the Auditor-General's report has got KPIs as an appendix that they looked at. In fact, the report that year I remember said that Junee achieved all of its performance elements and Parklea achieved all except one. They then published that in detail in the back.

Mr DAVID SHOEBRIDGE: We have one year of reporting, Parklea has been operating since 2009 and this is the first time it has come into the public domain in a parliamentary inquiry and you are saying that there is adequate transparency.

The Hon. TREVOR KHAN: David, you are going to get to a position where we are all going to say that there should be greater transparency and the KPIs should be published. You do not need these witnesses to convince us that that is a good idea. They have made a suggestion and it sounds really good.

Mr DAVID SHOEBRIDGE: I was not asking you, Trevor.

The Hon. TREVOR KHAN: You are flogging it to death.

Mr BEZUIDENHOUT: Again, it is an issue for the department to publish the results.

Mr DAVID SHOEBRIDGE: But you would have no difficulty with that being done?

Mr BEZUIDENHOUT: I am proud of my performance. I have got no problem with it.

Mr DAVID SHOEBRIDGE: What about publicly providing those elements of the contract that go to KPIs and the like? What about producing that part of the contract?

Mr BEZUIDENHOUT: Are you talking about the definitions and so on of the KPIs? I am not sure what element you are referring to.

Mr DAVID SHOEBRIDGE: I assume there are detailed contractual provisions about reporting and KPIs. You have no difficulty with those being put in the public domain?

Mr BEZUIDENHOUT: It is for the department to decide.

The CHAIR: That is their recommendation No. 2.

Mr DAVID SHOEBRIDGE: I am talking about the contract for both Junee and Parklea.

Mr KARAURIA: Certainly.

The Hon. DANIEL MOOKHEY: In an answer to Mr Shoebridge I think you talked about the performance linked fee minus the penalties for the last year.

Mr KETHEESWARAN: There are financial penalties that are applied for different contraventions.

The Hon. DANIEL MOOKHEY: That is applied under contract. Is that right?

Mr KETHEESWARAN: Yes.

The Hon. DANIEL MOOKHEY: The contract that you have with the department allows the department to impose a penalty on you under the contract system that says that you have breached. Is that correct?

Mr KETHEESWARAN: If there is a breach in the contract for which the contract permits the State to penalise, that will be penalised.

The Hon. DANIEL MOOKHEY: How many penalties have you experienced through such a mechanism in the last financial year and the financial year before?

Mr KETHEESWARAN: I cannot give you that, but I think that is in the submission from the State.

The Hon. DANIEL MOOKHEY: What were you penalised for?

Mr KETHEESWARAN: There was an intervention for which we paid the sum.

The Hon. DANIEL MOOKHEY: What does that mean?

Mr KETHEESWARAN: Again, I do not know the exact amount.

The Hon. DANIEL MOOKHEY: No. What is an intervention?

Mr KETHEESWARAN: Where the State has to come and do an audit, for instance, they will be charging us for it.

The Hon. LYNDA VOLTZ: That would be over the safety audit in regard to the—

Mr KETHEESWARAN: Yes.

The Hon. DANIEL MOOKHEY: So it is the State recovering the costs of having to check your compliance.

Mr BEZUIDENHOUT: Also, just to be clear, then they are charged. Each of these would have a component attached to it, which would reduce your performance fee if you do not achieve it. That is the first one. The second one is things as simple as charge events—that is not the correct terminology. Let us say you have an erroneous release where you have released and you should not have released, or detaining for too long. Then there would be a charge associated with that, and that also comes off the fees.

The Hon. DANIEL MOOKHEY: How many of them have you experienced?

Mr BEZUIDENHOUT: I cannot tell you offhand.

The Hon. LYNDA VOLTZ: You are not letting any go, are you, that you should not?

Mr DAVID SHOEBRIDGE: It might be useful to get the PIN numbers because I think Corrective Services talk about the mixture of PINs and financial penalties. Would you be in a position to give us those over the last few years?

Mr BEZUIDENHOUT: Yes. The department can provide those.

Mr DAVID SHOEBRIDGE: Again, you have no difficulty if the department provides them?

Mr KETHEESWARAN: Mr Shoebridge, you asked me the question whether it was publicly available and I said that I had seen it. I have just accessed it.

Mr DAVID SHOEBRIDGE: And you are confirming it is there?

Mr KETHEESWARAN: It is there. It is in appendix 4. It is a full list.

The Hon. SCOTT FARLOW: Of the 2013-14 Auditor-General's report?

Mr KETHEESWARAN: Yes.

Mr DAVID SHOEBRIDGE: I will have a good look at it. Thank you.

Mr KETHEESWARAN: It was tabled in Parliament on 3 March 2016.

The Hon. LYNDA VOLTZ: I may have missed a bit, but when the Minister announced the decision 17 months out of that contract were you surprised at that time line, or had you been informed?

Mr BEZUIDENHOUT: No. The contract expired on 31 October 2017. There was then an 18-month extension sought by the Government, which would take it to 31 March 2019. In about October-November last

year the department initiated the expression of interest process. That was submitted in, I think, December, if I remember correctly, and then at the beginning of this year, I think February—I cannot remember the date—the results were made known and we were told that we were not successful to progress to the next stage of the tender process.

The Hon. LYNDA VOLTZ: So you would you have expected that contract process to happen earlier, is that what you are saying? It was extended?

Mr BEZUIDENHOUT: That contract was extended, yes, by 18 months. It was meant to come to a conclusion in October last year.

The Hon. LYNDA VOLTZ: But the media reports linked the timing with the incidences of mobile phone contraband. The link that was made in the media actually was not correct; it was that you had actually had an extension of the contract.

Mr BEZUIDENHOUT: Yes, we had an extension.

Mr DAVID SHOEBRIDGE: When it comes to the process that is going forward on benchmarking—there is a benchmarking process that is being applied across public and private prisons in New South Wales—I am sure you are engaging with Junee, is that right?

Mr BEZUIDENHOUT: Yes.

Mr DAVID SHOEBRIDGE: You are aware of the process?

Mr BEZUIDENHOUT: If you say part of the process—

Mr DAVID SHOEBRIDGE: Or the Better Prisons reform and what flows from that. You are not part of that?

Mr BEZUIDENHOUT: No.

Mr KARAURIA: But we are aware of it.

Mr BEZUIDENHOUT: We are aware of it.

Mr KARAURIA: But we are not a part of it.

Mr DAVID SHOEBRIDGE: Your submission is that whatever benchmarking is applying to your facilities, the same benchmarking should apply to public facilities.

Mr BEZUIDENHOUT: Yes.

Mr DAVID SHOEBRIDGE: Have you asked to be advised about what the benchmarking process is for public prisons?

Mr BEZUIDENHOUT: No, but we assume—

Mr KETHEESWARAN: If I understand your question correctly, you are asking us whether it is our position that our benchmarks or our KPIs should apply to public prisons. Far from it. That is not what we are saying. We are saying the State should decide how it wishes to measure a prison's performance qualitatively and quantitatively and in terms of value for money.

Mr DAVID SHOEBRIDGE: And it should be the same regardless of whether it is a public or a private facility.

Mr BEZUIDENHOUT: Yes.

Mr KETHEESWARAN: It should apply to all facilities.

Mr DAVID SHOEBRIDGE: That is what I understood your position was. So there is this ongoing benchmarking process in the public prisons and you are not sure whether it is going to have similar criteria or reporting to what you have got.

Mr BEZUIDENHOUT: We do not know.

Mr DAVID SHOEBRIDGE: Would you not have thought, given you have been reporting on benchmarks for the last 20-odd years, that some of your input would have been useful in setting up benchmarking and reporting because you have been on the other side of it for so many years?

Mr KETHEESWARAN: Yes, I can answer that. As you know, we have been operating prisons in Australia for 25 years now. Other States, initially when the contract started being privatised, all of the KPIs used to be input measures. It is about—

Mr DAVID SHOEBRIDGE: Cost.

Mr KETHEESWARAN: —cost, number of people and so on and so forth.

Mr BEZUIDENHOUT: How many education hours did you do, not how many people qualify with a certificate or—

Mr DAVID SHOEBRIDGE: How much food was delivered, not how much was eaten.

Mr KETHEESWARAN: Initially it went through an evolution. Firstly, it was inputs, then it became outputs, outputs being how many hours of education were delivered or, as you say, how—

Mr DAVID SHOEBRIDGE: As opposed to how many qualifications you have got.

Mr KETHEESWARAN: In fact, it is our position that it should go further than that. It should go into outcomes. How many of those prisoners served inside a prison leave and how many come back? How are they helped to reintegrate into society? That is where the contract governance is moving. Some of the States, with our input, have adopted that.

The Hon. TREVOR KHAN: Which States?

Mr KETHEESWARAN: Victoria.

The Hon. TREVOR KHAN: Only Victoria?

Mr KETHEESWARAN: At this stage Victoria, but Queensland is also—

Mr BEZUIDENHOUT: Queensland is also moving to that.

Mr KETHEESWARAN: New South Wales also, I understand—although we have not been a full participant of that—is moving in that direction.

Mr DAVID SHOEBRIDGE: There is a report called the Macksim report. Are you aware of that report?

Mr KETHEESWARAN: I am not personally aware of that, no.

Mr DAVID SHOEBRIDGE: Have you heard of the Macksim report?

Mr KETHEESWARAN: I have not.

Mr DAVID SHOEBRIDGE: I will take that up with the commissioner.

The Hon. SCOTT FARLOW: It is a good segue. The contract was entered into in 2009, correct?

Mr KETHEESWARAN: For Parklea, yes.

The Hon. SCOTT FARLOW: You have recently won a tender in Victoria, you were saying this morning?

Mr KETHEESWARAN: That is correct.

The Hon. SCOTT FARLOW: How different is that contract in terms of that evolution you were talking about—you have got a near 10-year-old contract—to what you are seeing now in that contract you have entered into in Victoria?

Mr KETHEESWARAN: Thank you for that question. The prison management and how effectively taxpayers can assess whether they are getting value for money within prisons is about how well the prisoner is using the prisoner's time inside prison. Are they simply being sentenced to prison to be locked up and be idle or are they going to be rehabilitated whilst in prison, and when they leave prison are they properly reintegrated into society so they do not become simply better prisoners whilst they are in prison rather than being better and productive citizens when they leave? That measure is applied to the operator. In the future, prison performance will be measured not only in terms of what happens inside prisons but also what happens to these prisoners when they leave prisons.

The Hon. SCOTT FARLOW: How is that then envisaged in a contract? Is there a payment that is retained by the Government and then an assessment is made five years afterwards in terms of that cohort?

Mr KETHEESWARAN: Absolutely. In fact, the challenge for us when we bid for that contract was that the State said to the bidders, "You come up with some KPIs that you think should be innovative and can be measured accurately."

The Hon. TREVOR KHAN: That is in the Victorian exercise?

Mr KETHEESWARAN: In Victoria.

The Hon. SCOTT FARLOW: And that was something you suggested in that process, was it, or was it something that was mandated by the Victorian Government?

Mr KETHEESWARAN: The tender asked the tenderers to submit suggestions on how they think they should be measured to achieve outcomes. So this would mean when the prisoner leaves rehabilitating them and reintegrating them into society so that they have jobs, they have education, they have housing, and all of these things would be helped by how well are they prepared inside prisons and when they leave how well are they accommodated.

Mr DAVID SHOEBRIDGE: But that would be next to impossible in a remand facility. The recidivism rates for Parklea are terrible but there is no point really talking about it one way or another because it is a remand facility.

Mr BEZUIDENHOUT: If I can just make one comment. Following on from the Victorian tender, the Grafton tender here in New South Wales that was awarded in the course of last year has, to the best of my knowledge, got elements of exactly that same reintegration measures and recidivism measures, to the best of my memory. I do not know what is in the current Parklea tender because we have not been privy to that tender process.

The Hon. TREVOR KHAN: What about in foreign jurisdictions, South Africa?

Mr BEZUIDENHOUT: Do not go near South Africa.

The Hon. TREVOR KHAN: I am sure they have some good ideas on some issues—

Mr BEZUIDENHOUT: Not on their prisons—

The Hon. TREVOR KHAN: Are there any foreign jurisdictions where there is some assistance?

Mr BEZUIDENHOUT: One of the prisons in the United Kingdom, Peterborough prison, had what it called payment by results that had recidivism measures that they had to achieve a percentage better than the State average for recidivism and then you would get a bonus. That has been going for about two or three years. Also recidivism is normally measured two years after release. I am not sure if we have seen the results yet.

Mr DAVID SHOEBRIDGE: If we are globally looking at prison systems that reduce recidivism we would look at Norway?

Mr BEZUIDENHOUT: Or Holland.

Mr DAVID SHOEBRIDGE: Or Holland where the recidivism rate is a fraction of what it is in New South Wales. They are doing something right there, are they not?

Mr BEZUIDENHOUT: Yes. One of the statements I made earlier was that one of the issues that has been historically, not ignored, but we manage prisons to make the prisoners better prisoners. We give them programs and we make sure they behave while they are inside a prison. We do not necessarily make them better citizens; that has been the traditional model. I think the whole system around the world's needs to move to that. In order to achieve that it is wonderful to say that, and they are real motherhood statements, but a lot of prisoners need significant help reintegrating back into the community. Apart from, maybe, mental health issues the person could be unemployed. The person could have no housing. He could have no family ties. If you have got those four, I can guarantee that, as sure as God made little apples, he will be back. Those are the things we need to address. That is exactly where our continuum of care model is going.

Mr DAVID SHOEBRIDGE: I refer to one subject that I found particularly distressing when I looked at the data on page 56 of the department's submission. Any jail has a primary duty of care to ensure that inmates do not die. In 2016-17 Parklea had a rate of unnatural deaths per 100 inmates of 0.44, which is probably about four or five deaths, and the comparable rate in public prisons was 0.13. The comparable rate across secure custody was 0.9. If we look from 2008-09 all the way to 2016-17 the rate of deaths in 2016-17 stands out in a distressing manner. What went wrong?

Mr BEZUIDENHOUT: A death in custody is not something that anybody would want to experience.

Mr DAVID SHOEBRIDGE: These are unnatural deaths.

Mr BEZUIDENHOUT: Yes, unnatural deaths in custody. In 2016 we started to receive fresh custodies. The traditional model of ascertaining peoples' vulnerability was to give them an at-risk assessment which, in the case of Parklea, is undertaken by Justice Health with our input and so on. Of the incidents that happened in that period, to the best of my recollection, not one was an at-risk prisoner but what we have identified after a period of time is that there are a number of traits that would indicate a possibility, even though the person does not identify at risk, of what could lead to that. It is people that have been remanded for sex or family violence crimes, people who do not necessarily have ties with their family or relationships anymore because of the issues associated with it and people who have been in custody less than three months. After they go through the third-month period they seem to settle down more. We have introduced measures, following our own assessment of that, to overcome that. But, yes, that is a terrible statistic.

Mr LAWS: I should say first of all that I am probably not best placed to answer for that time because I have been the general manager there since December 2017. I was not the general manager at the time. However, the most significant group of prisoners who are at risk of self-harm and unnatural death are those that in that period are first received into custody. If there is a spike during that period I would suggest that it may be as a result, in part, of the increase in fresh custodies that Parklea Correctional Centre took over that period. Our contractual responsibility at the time of our contract in 2009 was to take up to six fresh custodies a day. In September 2014, and it ramped up from there, GEO undertook to assist the department with a bed demand for fresh custodies to take up to 30 a day. So there was a massive increase in Parklea Correctional Centre from that period of taking a higher risk group of inmates.

Mr DAVID SHOEBRIDGE: But without, it would appear, adequate systems in place to ensure their welfare. Surely that was your obligation with that increased inflow of prisoners?

The Hon. DANIEL MOOKHEY: Did you get more resources?

Mr LAWS: Our obligation is to always do our best but there are a number of risk factors associated with the receipt of fresh custodies and processing fresh custody inmates and they include infrastructure and other services.

Mr BEZUIDENHOUT: Parklea had more infrastructure, and we have addressed some of it since.

The Hon. SCOTT FARLOW: Those were some of the incidents that we saw today of hanging devices?

Mr DAVID SHOEBRIDGE: They were not there in 2016.

The Hon. SCOTT FARLOW: Were some of those things there in 2016?

Mr BEZUIDENHOUT: We embarked on a program of removing hanging points to the best that our facility could allow us to do so. I think I pointed out to you, or somebody today, some of the actions that we have undertaken. We started some time ago. To give you an example, one of these particular unfortunate deaths in custody: the person was in a two-out cell so by all accounts he should be relatively safe, and he did not have any signs of being at risk or anything. He took the opportunity when his cell mate left early in the morning, as we told you, in the 6 o'clock truck or something. He knew he was going to be unlocked at 8 o'clock and in that period that his cell mate was not there, he was not at risk, he committed suicide. It is always regrettable that there is a suicide because you feel personally responsible.

Mr KARAURIA: One of the importance facts is that within Correctional Services, definitely during my time over the past 30 years, there has always been that element of risk. It has always been considered with people coming into custody. It is manifested in terms that we have now got a well versed at-risk screening procedure where we screen people to be at risk. The problem with that screening process is that a lot of the people who come into our custody have been through the system and know the right things to say, as part of that risk assessment process. They have been through Juvenile Justice. They have been through a number of agencies where they have been assessed as being a risk.

So the processes that we utilise to determine at-risk will identify the overt at-risk people that we know have a custodial history, or have a previous history of self-harming or risk of attempted suicides. So we can manage processes effectively. What we determined—and one of the issues that we needed to learn from those deaths in custody—is that we have an element of inmates who come into our custody that are determined to be vulnerable. There is no measurement tool currently existing that determines how an inmate may be vulnerable.

Mr KARAURIA: There could be a change in circumstances in terms of his family life—his wife may have left him. There could be a change in circumstances in terms of how he is accommodated in the facility

itself—he may be bullied. There could be a change in circumstances if he is a child sex offender and that he is coming up for his trial. We identified all those issues and have put them together as the vulnerability screening system.

Mr DAVID SHOEBRIDGE: Did you do this following the spike in deaths in 2016?

Mr KARAURIA: It was part of the process that we learnt from.

Mr DAVID SHOEBRIDGE: Did you have a formal written review?

Mr KARAURIA: We have a review of all deaths in custody.

Mr DAVID SHOEBRIDGE: Did you do a review of the spike in deaths in 2016?

Mr KARAURIA: We certainly did.

Mr DAVID SHOEBRIDGE: Would you be in a position to table that review?

Mr BEZUIDENHOUT: If you say review, every death in custody is investigated. As you would know, there is a coronial inquest that follows.

Mr DAVID SHOEBRIDGE: But you had a spike in deaths in 2016. Did you undertake a specific review? It sounds to me like you were grappling with some underlying issues. Were you doing that in four or five separate, individual reviews or did you look at them as a group and say, "What is the systemic problem here?"

Mr KARAURIA: We did an analysis on what we call the vulnerability inmate management plan that we introduced at Parklea.

Mr DAVID SHOEBRIDGE: Would you be in a position to provide that to the Committee?

Mr KARAURIA: Sir, we will take that on notice.

The CHAIR: We will have to wind up. Thank you gentleman for coming today. I note that you have taken a number of questions on notice to provide us with various documents. The secretariat will be in touch with you in relation to those questions and we would expect them to be returned within 21 days.

(The witnesses withdrew)

GLEN SCHOLES, Director, Custodial Corrections North, Corrective Services NSW, sworn and examined

KEVIN CORCORAN, Assistant Commissioner, Custodial Corrections, Corrective Services NSW, sworn and examined

PETER SEVERIN, Commissioner, Corrective Services NSW, sworn and examined

JAMES KOULOURIS, Assistant Commissioner, Governance & Continuous Improvement, Corrective Services NSW, sworn and examined

GAYLE ROBSON, Commissioner's Chief of Staff, Corrective Services NSW, affirmed and examined

The CHAIR: Would you like to make an opening statement?

Mr SEVERIN: I would like to take the opportunity to make a few opening remarks. I will start with the team that is with me here today: Assistant Commissioner Corcoran is responsible for the Rapid-Build Prisons program and the benchmarking program; Director Scholes is very much at the operational level, heavily involved in the benchmarking program as well as being the director responsible for both of the Rapid-Build prisons operations; my Chief of Staff Gayle Robson is particularly involved with the benchmarking program; and Assistant Commissioner Koulouris is responsible for the contract management, contract monitoring, anything to do with the Parklea operation and the operation of other privately managed facilities and other contracts in corrective services in New South Wales.

I want to highlight a couple of the challenges and initiatives that Corrections has faced in recent times. Most of this has been broadly reported, so I will not go into too much detail. But we certainly know that we have experienced significant and quite unprecedented growth in prisoner numbers over the past three to four years. That growth is continuing to present a challenge for us. Fortunately, we have been provided with significant capital and recurrent funding to meet this demand increase: \$3.8 billion in total—\$2.44 billion in the construction program and the remaining for the operation of the expanded capacity. We are in the process of delivering those beds in many institutions. One of them is, of course, Parklea. No doubt, it is fair to say that the construction occurring in Parklea is one of the most complex of all of the programs expansions that we are currently undertaking. The Rapid-Build facilities are a part of this program as well and have been delivered in record time late last year and earlier this year.

In parallel, we have continued to look at our operations internally for no other reason than to ensure that we can say with confidence that we have a system that delivers good value for money for the people of New South Wales, that meets the targets that we are setting to improve performance, that is focused on good practice, and that is very much in line with what we established internally as representing the best practice outcomes that we can possibly ask for under the circumstances. That is the benchmarking program and I will make some comments about it in a second. Overall we are also focusing very strongly on reducing reoffending. Ultimately, we have a role to play in that and we consider that a number of the initiatives that we have embarked on—particularly the increase in programs, the increase in community-based supervision and capacity and capabilities—are testimony to the fact that we are on the right path.

While it is too early to draw any final conclusions, I remain confident that the initiatives that we have taken are going to prove that this is a successful way of addressing the recidivism rate in the State. I would like to acknowledge at the earliest possible time the amazing work that our staff do, day in and day out, at all levels of the organisation—in this particular case, in our prisons. Every rank of staff member—regardless of Correctional Officer right through to Governor and public or private—is doing a sterling job to ensure that the community is safe. I want to formally acknowledge that because all too often we tend to focus on the micro, and that involves the time when staff have to make very tough decisions and really put their lives on the line in many cases. I just want to acknowledge the outstanding work that they are doing.

What I also need to be clear about is that we obviously will focus very strongly on fact. We cannot deal with perceptions, or personal opinion or philosophy. So when it comes to some of the details of our evidence, I point out that we will always try to, as much as it is at all possible, focus on the facts of the matter and hopefully be able to back that up with evidence, with data. In that regard we are very open to share that data with the Committee.

Parklea, very quickly: Privatisation in general we believe is still a very good and solid concept of managing corrections. It has proven to be successful. It is not done because we want to support the drive to the bottom. It is not done because we need to save money. It is done because in the first instance it enables the system to have a mixed provider environment; it enables the system to introduce new practice. And we are seeing a little bit of that today with some of the technologies that the GEO Group has brought to the table which

we have adopted. Likewise there is equally as much cross-reference from the public to the private sector as there is from the private to the public sector.

I firmly believe—and have been involved in this private sector involvement in Australian prisons since the early 1990s—that there is a place for the private sector to play. It comes down to accountabilities and how well the State monitors the performance of the private sector, because ultimately you can contract the operation of a centre out but you cannot contract out the ultimate accountability of a centre to a private sector operator—that will always remain with the Crown. In that context I believe that we have a quite robust system here in New South Wales, which we are improving on. No doubt with the new tender and with the new contract it is a different framework which will increase the performance focus and the ability to monitor that performance in an even more meaningful way.

There has been a perception that private sector operators are under a lower level of scrutiny and a lower level of having to be accountable for what they do. That is simply wrong. The private sector, if anything, is not only required to report and account to us for its actions every step of the way—as does the public sector—but the reality is we have onsite monitors seven days a week, between 12 and 16 hours a day, who monitor the performance of the operator in situ and obviously report accordingly.

Parklea is a very complex operation, as Committee members would no doubt have seen this morning. I mentioned to some of you that I am very pleased that you chose to go to visit the centre first, because I do not think there is anything stronger than to actually get a visual impression and see firsthand what is happening out there. It is a large centre. It has a very complex group of inmates to deal with. At this point in time—fortunately that will only be a temporary issue—we are in the middle of a major building program at that facility.

We have had reason to intervene in the operation of Parklea, as has been well reported, and I do not make any apologies for that. There were reasons that led me to decide to exercise that option under the contract to send a senior team in to have a look at the operation in far more detail than we normally would do, to do a very deep dive into every aspect of the operation. I think that has been a good exercise, because fundamentally the GEO Group has adopted the recommendations that came out of the review. It was very granular, it was very detailed, and they have made changes to the way they operate the centre.

We are currently involved in the retender of the Parklea Correctional Centre contract. So the Committee is aware, the GEO Group did not make it through the first round, which is an expression of interest [EOI] round. That is not because of any performance related issues. They simply did not provide an expression of interest that was as strong as that of their competitors. Obviously for probity reasons we need to play this straight down the line. There are strict separations between people who are operationally responsible for the day to day running of Parklea and those who undertake the procurement process for the future operation of the Parklea Correctional Centre. In that regard I personally satisfied myself, even though I am not on the evaluation group that this was a very fair recommendation made to the board that presided over the scrutiny of this process and then will make a recommendation to the Minister in relation to the EOI short listing.

As we speak we are renegotiating the contract for June Correctional Centre with the GEO Group, so I think that is testimony to the fact that it is not simply about the GEO Group. It is about making sure we get the best operator for our correctional facilities that are currently being operated by the private sector. We will introduce a very new accountability framework. That will be the same for public and private sector prisons. It will have key performance indicators [KPIs] and targets that are based on the role and function of individual correctional centres that these centres have to meet.

These accountability outcomes will be published, so there will be a quarterly publication that will compare the performance of all centres across New South Wales, obviously based on their role and function based on the cohort of prisoners they are accommodating. There will be different targets but nevertheless they would moderate it to a point where you can draw conclusions between public and private. The transition of the current to a new operator is very complex. It is not something that you would like as a commissioner to do every day. I am confident we will manage that as well as we can. I am personally involved in that process at the more senior executive level. The GEO Group at this point in time has been very reliably responding to the requirements for transitioning out of the current contract.

Briefly on Rapid Build Prisons, it is a very new concept and one that we were carefully researching right across the world. It was complex planning. The research involved many reference points. I think we can say that following risk assessments and international validation of our concept we realised the fastest procurement of any correctional maximum security infrastructure ever undertaken from the day we turned the sod to the day we got the keys to the facility was 12 months.

That has never been done before. To this point we have had six months of operational experience at the Macquarie facility and four months of operational experience at the Hunter facility, which I understand the Committee will be visiting later this year. The early indications are very positive, as outlined in our submission and as we will no doubt hear from my colleagues later this afternoon. We have a very differently structured day. We have a much greater focus on work and education. It is a de-institutionalisation process. I refer you to the testimonials we have in our submission from both staff and prisoners.

Benchmarking. As I mentioned earlier, the objective is to ensure good value for money, to make sure that we can say, hand on heart, that our system is as efficient and effective as we can possibly make it at this point in time. There is a perception—certainly it has been held by our industrial union and others—that this is simply a race to the bottom, a cutting of staff and a saving of money. It is not. It is a lot more than that.

This was always going to be complex. This was always going to be controversial in many quarters. That is why we have engaged in the most comprehensive consultation with staff—and we are more than happy to talk about that—as we move forward. The consultation is very intensive and it is well documented. I think we can say that there is little more that can be done to ensure that we get the best outcome that we can possibly get, and that everybody can live with it at the end of the day. In those centres that have gone through it and have implemented it, early signs are quite positive. I will leave opening comments at that, and thank the Committee for the opportunity to give evidence.

The Hon. DAVID CLARKE: Do you want to expand on what you are doing to ensure a smooth transition of the Parklea Correctional Centre to a new operator? In particular, take on board the issue of staff. What is going to happen there?

Mr SEVERIN: I will do that. I will answer your question but I just need to preface my response with the fact that we are in the middle of a tendering process. So there are parts of information that I simply cannot talk about for probity reasons. However, I can say that we have made a significant effort to engage with staff, including me writing to staff and meeting with the GEO group. The group has now put on an HR expert, so there is a one-voice response that staff are getting from the GEO group in terms of their future.

I am very pleased to say that, at this point in time, we have a strong indication from all three proponents that they are not simply looking at continuing to employ the lower-level staff but even management. So there is no ready-made workforce out there waiting to walk into a prison and take it over. That is a very important fact to realise. The best outcome in terms of staff transition for me is that it is simply a changing of a uniform at the stroke of midnight on the day when the new contract kicks in. Anything back from that is what we are working on.

I know that one of the proponents is in the process of getting permission from us to actively engage with staff. The others may choose to do that at this point in time or they may choose to do it later at a point when they might be a preferred tenderer. That is up to them. It is important for us that we have the smoothest transition from the current operation to the new operation. That includes having as many staff retained as possible.

The Hon. DANIEL MOOKHEY: As a follow up to that question, what does that mean for the industrial conditions and entitlements of existing staff? Is it the view that the new operator is going to assume the existing industrial agreements that prevail out there? From the perspective of a person who works at the prison, are they likely to be experiencing any pay loss, pay reduction or alteration in conditions of any form? Is that another thing which is continuous or is it not yet resolved?

Mr SEVERIN: I can answer that in principle, however it is obviously between the employer and the employee. It is not the State which dictates the awards or is involved in, or is party to, any award negotiations—

The Hon. DANIEL MOOKHEY: Sorry, Commissioner. There are examples of public sector contracts that are outsourced that do contain reference to the industrial conditions, for which the State does take liability. They exist in New South Wales and interstate. It might be the case that in respect of this contract—as in the existing one with the incumbent provider—no such provision exists in the contract. Is that the case?

Mr SEVERIN: I can only refer to the current contract.

The Hon. SCOTT FARLOW: This is the 2009 contract that was signed by John Robertson of the Labor Party.

The Hon. DANIEL MOOKHEY: That is fine; I understand that. Your point is well made, Scott.

Mr SEVERIN: I understand that the current situation—Ms Robson might be able to give more detailed information—is that the enterprise bargaining agreement comes to an end and there are currently

proceedings in front of Fair Work Australia to enter into a new agreement. However, the GEO Group can only enter into a new agreement until the contract concludes because then they are not the employer anymore. So the industrial mechanisms are clearly covered by Fair Work Australia.

The Hon. DANIEL MOOKHEY: That is the award.

Mr SEVERIN: Then there is an enterprise bargain [EB], as I understand it.

Ms ROBSON: Yes. GEO have enterprise agreements in place covering Parklea. The Commissioner is correct: that agreement expires later this year. We understand that GEO are in discussion with staff and unions that have—

The Hon. DANIEL MOOKHEY: As a condition of your contract tender for the new round, have you included a minimum benchmark upon which all tenderers have to comply, or are we to assume that that is the award? Have you specified as a condition of tender what a labour arrangement is?

Mr SEVERIN: We do not describe to the contractor in the future what conditions they have to provide.

The Hon. DANIEL MOOKHEY: So there is no requirement for continuity of employment, no requirement for engagement of the existing staff?

Mr SEVERIN: No, there is no requirement for that.

The Hon. LYNDA VOLTZ: Can I just take you back to the idea of the original staff. You said that you hoped that there would be a uniform change over. I understand Parklea is already bleeding staff. Is that correct? Is it already losing staff?

Mr SEVERIN: Parklea has lost some staff, yes. That is one of the reasons that we are very mindful that we have to manage transition with the upmost attention to sustaining the operation as safely as we possibly can.

The Hon. LYNDA VOLTZ: The population in prisons has gone from 9,000 to 14,000 over the last five years—a 50 per cent increase in the prison population, overall—so it is obvious that staff can go out and get jobs in corrective services elsewhere.

Mr SEVERIN: Obviously, absolutely, yes.

The Hon. LYNDA VOLTZ: How is Parklea going to continue to operate if it keeps bleeding staff?

Mr SEVERIN: That is what I am saying. We carefully monitor. Only earlier this week I was involved in a discussion with the team that meets weekly, I think, to look at retention of staff and to look at what action we need to take to continue to engage the staff in a meaningful way. Fundamentally, I think you saw today that it is a work environment in which I think you get a sense that it is quite constructive. I want to keep it that way. We cannot provide, at this point in time, a guarantee. However, it is very encouraging. We strongly encourage the tenderers in the tender documents to offer the staff employment.

Mr DAVID SHOEBRIDGE: Why not require it? Why are we talking about encouragement and niceness and being pleasant and monitoring? Why not just require it.

Mr SEVERIN: Because fundamentally it is up to the employer to decide who they want to work for them. It is an important principle. If we are looking at a future employer, if we dictate to them that they have to maintain staff infinitum then that would fundamentally be in conflict with the fact that an operator needs to have the flexibility to organise their staff in the way they see fit.

Mr DAVID SHOEBRIDGE: You are putting flexibility ahead of both the interests of the staff and the security of the facility?

The Hon. LYNDA VOLTZ: Can I finish my question?

Mr SEVERIN: Not at all. By no means. We are saying it is the principle. It is not actually what we are very strongly following at this point in time in the context of engaging with staff, ensuring that staff have every sense of certainty going forward and that we will make sure that we keep any loss of staff to an absolute minimum.

Mr DAVID SHOEBRIDGE: You cannot say "make sure" and "certainty" if you do not even put it in the document.

The Hon. SCOTT FARLOW: I am going to call a point of order for the Hon. Lynda Voltz.

The Hon. LYNDA VOLTZ: What is the total number of staff at Parklea?

Mr SEVERIN: I would have to take that on notice. That is not a number I have got in the top of my head.

The Hon. LYNDA VOLTZ: You do not know what the total number of staff is, but you would be able to tell me about other correctional facilities?

Mr SEVERIN: I do not think I would be able to tell exactly the number of staff in each of our facilities.

The Hon. LYNDA VOLTZ: When you say there is no requirement, you are not going to tell people who to employ, what is the incentive for staff to stay at Parklea?

Mr SEVERIN: First of all it is tenure and people also actually like what they are doing there. It is the certainty of going forward continuing having the job that you have got and it is also the certainty of knowing that these jobs will not go away.

The Hon. LYNDA VOLTZ: But you need to train another 1,200 Corrective Services officers, do you not?

Mr SEVERIN: We certainly are.

The Hon. LYNDA VOLTZ: If they want tenure why would they not just go over to that?

Mr SEVERIN: And some do.

The Hon. LYNDA VOLTZ: Is that not the problem?

Mr SEVERIN: No, it is not a problem at this point in time. It is certainly something I am very mindful of in the context of us not wanting to compete for staff who are currently employed at Parklea. We are looking at mechanisms to facilitate any transition of staff from Parklea to us consistent with the provisions of the Government Sector Employment Act. We cannot say they are not eligible; they are eligible to apply. If they are meritorious then we might engage in dialogue with them in the context of when they are going to start with us, where they are going to start. It is something that the HR experts in our organisation are working on. I am quietly confident, actually I am confident that we will come to a good landing there. Nevertheless, it is clearly a front-of-mind issue, the continuity of the staff there. That is where my focus is and where I personally involve myself in dialogue with the incumbent operator and have been involved, not directly but indirectly, in ensuring that the three proponents who are tendering for the work are very well committed to continuation of employment for those staff.

The Hon. DANIEL MOOKHEY: You made reference to the fact that the incumbent workforce is employed under an enterprise agreement, which is currently being embarked upon, and we have established that there is no requirement in the tender for the new provider to have any pay reference or deference to that EBA whatsoever, is that correct?

Ms ROBSON: No, there is no requirement in the contract.

The Hon. DANIEL MOOKHEY: The tender.

Ms ROBSON: The tender, you are quite right. The tender does require the new operator to give preference to existing staff, all other things being equal.

The Hon. DANIEL MOOKHEY: That is just in terms of the grant of the employment contract, not necessarily the terms of the employment contract, is that correct?

Ms ROBSON: That is correct.

The Hon. DANIEL MOOKHEY: It is entirely possible that a person in a guard house right now will go to work on one day under one pay rate and turn up the next day and be paid under the modern award and have had their pay cut. That is entirely possible under the tender processes being envisaged in the transmission of business arrangements, is that correct?

Ms ROBSON: Yes, technically that could happen. However, what we understand is that the proponents are now out there talking with staff, as the commissioner has outlined, and talking in terms of negotiating new agreements. There is a five month transition period and it would be expected that during that time there would be new arrangements set.

The Hon. DANIEL MOOKHEY: Given procurement New South Wales and in general procurement policies adopted under this government, to be fair to them, has in the transition of the electricity sectors and in

the transition of waste sectors provided guarantees of not just employment but conditions. Most recently, the one that comes to my mind, is the Central Coast waste tender where the waste workers got continuity. We granted it for five years. Why is it this workforce does not qualify for the protections that the government has given to other workforces?

The Hon. TREVOR KHAN: Is that not a question for budget estimates?

Mr SEVERIN: I can answer that.

The Hon. DANIEL MOOKHEY: No, the question is, because you are the designers of the tender it is a choice that is available to you and there is a precedent. As the people who designed the tender I am trying to understand why it is that the recent precedents of this Government has not been observed in respect to this one. There could be very good reasons for that. I am inviting you to suggest what are they?

Mr SEVERIN: Could I refer you to the fact that the transitions you refer to, which were the same in 2009, are from public to private sector, they are not from private sector to private sector.

The Hon. DANIEL MOOKHEY: That is not correct. In respect of the waste contracts they were.

Mr SEVERIN: I am not across that. The Parklea tender is private to private. When the original contract was let the public sector employees—it precedes my tenure here—were given a continued employment guarantee by the government and redeployed into other operations. The requirement for tenderers is to offer work to Parklea employees if they are more meritorious than others. The industry is very small in Australia. We only have literally three companies that manage everything there is about privatisation. They know exactly what work terms and conditions people are employed under. The unions that have coverage are public sector unions or United Voice and they are very much aware of the awards. We are very confident that there is almost no likelihood of a loss of conditions, of a loss of entitlements, as a result of this process.

The Hon. DANIEL MOOKHEY: What about pay?

Mr SEVERIN: And conditions. I certainly took advice from NSW Industrial Relations on these matters because I am not an industrial expert, and certainly not a wage expert. That is certainly the advice that I was receiving. I am not here to defend a position that is simply going to assert that there will be a loss of entitlements or conditions. I am confident that will not be the case. My primary interest is to maintain the safe and secure operation of Parklea going forward and transition to the new operator. It is a very long transition period, longer than you would normally have. That is very much related to the fact that we have a situation that is very much due to the fact that GEO was not invited to tender otherwise the transition would be far shorter. The way that the contract is staggered is that we do not get too close to the commissioning of the new facility. We want a new operator well and truly established in the facility before we commission the additional infrastructure.

The Hon. SCOTT FARLOW: Just to this issue of workers rights and entitlements and the market at present: there currently is competition for labour in the market between both Corrective Services New South Wales and the private operator that exists in New South Wales GEO Group, correct?

Mr SEVERIN: Yes.

The Hon. SCOTT FARLOW: I imagine there are differentials between what Corrective Services offers in terms of pay, entitlements, conditions and what GEO Group offer, is that correct?

Mr SEVERIN: That is correct.

The Hon. SCOTT FARLOW: I imagine it is not easy to say one is better than the other, but there are probably areas where it is better at GEO Group and there are probably areas where it is better at Corrective Services NSW. We met a worker this morning who had gone from Corrective Services NSW into GEO Group. We are also looking at an environment where you have a recruitment drive of 1,200 additional Corrective Services workers, is that correct?

Mr SEVERIN: Yes.

The Hon. SCOTT FARLOW: Whatever may happen with Parklea, and you were saying that the continuing operation of Parklea is your fundamental concern, when it comes to workers in this environment there are many opportunities within Corrective Services NSW, if not for that private provider. Any incoming private provider is going to have to compete for skilled labour in that market, is that correct?

Mr SEVERIN: That is correct.

The Hon. TREVOR KHAN: Can I ask a question?

The Hon. LYNDA VOLTZ: We are waiting to see if that was a question.

The Hon. TREVOR KHAN: I am going to move to another area.

The Hon. DANIEL MOOKHEY: Is there a public sector comparator that was established before this contract was let?

Mr SEVERIN: I was not around at the time.

The Hon. DANIEL MOOKHEY: The retender.

Mr SEVERIN: Absolutely. It is a two stage process. We do a public sector comparator. That is not simply a costing of the award.

The Hon. DANIEL MOOKHEY: I know what it is.

Mr SEVERIN: We then also look at what is referred to in the tendering process as an affordability envelope. We set the market a certain benchmark so they can price to that and know what level of service they need to provide for that.

The Hon. DANIEL MOOKHEY: On notice, are you able to provide us some information?

Mr SEVERIN: No, we cannot.

The Hon. TREVOR KHAN: I am not trying to cut it off, but there are other areas.

Mr DAVID SHOEBRIDGE: Corrective Services did not put an expression of interest in?

Mr SEVERIN: No.

Mr DAVID SHOEBRIDGE: Why not?

Mr SEVERIN: Because it was very clearly decided that this is a privately managed prison. That was decided in 2008. This is not one where Corrective Services had any ability to tender in a meaningful way because it was clearly decided that as part of the mixed market environment you wanted to have two facilities, soon to be three with Grafton, to be managed by the private sector. The exercise of having a competitive process for a privately managed centre would be—I would not go as far as saying a waste of money—but the Government would be far smarter to simply take the contract back and say, "Public sector: You run it."

Mr DAVID SHOEBRIDGE: But you allowed the private sector to tender for currently run public facilities, did you not?

Mr SEVERIN: There was a market test of the John Morony Correctional Centre last year.

Mr DAVID SHOEBRIDGE: So market tests only go one way? It is only where private can take it off public, never where public can take it back from private, is that the ideology?

Mr SEVERIN: No, it is not. You would not tender a private sector contract inviting a public sector bid.

Mr DAVID SHOEBRIDGE: Why not?

Mr SEVERIN: Because fundamentally there is a cheaper way of getting the public sector to run it and that is just take the contract back.

Mr DAVID SHOEBRIDGE: Public providers can have private providers prepare a competitive tender, but when it is the other way around, there is no way for the public to get back into the tender process?

Mr SEVERIN: Not at all. I am not saying that. If Government decides that it would like not to have that centre managed by the private sector, they simply say at the end of the contract, "We are going to take it back and we are going to start managing it ourselves."

Mr DAVID SHOEBRIDGE: Commissioner, this was ideology, not good management, was it not? It was all about ideology, not about getting the best—

The Hon. TREVOR KHAN: This is just—

Mr DAVID SHOEBRIDGE: You can have your question--

The Hon. TREVOR KHAN: A grand speech is just nonsense.

Mr DAVID SHOEBRIDGE: Not about getting the best return for the public.

Mr SEVERIN: No, not at all. I think the market testing of John Morony has clearly demonstrated that we can achieve significantly different ways of operating the centre in the public sector. It is very different to any other centre. It is premised on a whole different staffing arrangement, different management arrangement, different commitments to programs and industry. Again, early signs say it works quite well and hopefully we will continue to have that. But government at the time, quite rightly, said, "Okay, we want to test." That might be ideology. It is not something I disagreed with, but from a correctional perspective, we wanted to test the robustness with which the public sector can manage a centre under competitive pressures.

That is a one-off. It was done to clearly demonstrate that it can or cannot be done, and fortunately the in-house team, headed up by Assistant Commissioner Corcoran, did an outstanding job and we have transitioned successfully into the new operation. For the private sector centres, a decision was taken in 2008 that we were going to have a second centre in this State managed by the private sector. There was subsequently a decision taken to also have the Grafton Prison under private sector management and that decision has not changed. The Government of the day, this Government, decided when it—

Mr DAVID SHOEBRIDGE: This Government always loves John Robertson's decisions, does it not?

The Hon. DANIEL MOOKHEY: If the preferred bidder at the end of your tender comes in higher than the public sector comparator, that is your own analysis reveals that it is better for the public sector to do it, because that is the purpose of the public sector comparator, what are you allowed to do under your contract?

Mr SEVERIN: I do not want to speculate but obviously that is the purpose of a public sector comparator.

The Hon. DANIEL MOOKHEY: I am not asking you to speculate, I am asking you expressly have you established in your tender document the right to reject all bids?

Mr SEVERIN: Absolutely.

The Hon. DANIEL MOOKHEY: Therefore, you do have the option of putting Corrective Services in?

Mr SEVERIN: Absolutely.

The Hon. TREVOR KHAN: Were you watching the evidence that was given by the GEO Group? I am not being critical. You are allowed to watch the evidence.

Mr SEVERIN: Only partly, because we were in transit.

The Hon. TREVOR KHAN: You may remember, perhaps you saw this part, there was considerable questioning, some of it quite aggressive, about disclosure of KPIs and the like. In your opening statement you referred to the public disclosure of KPIs. Would you like to tell the Committee precisely what your plans are in that regard and what is the timing? This is not a Dorothy Dixier, I have no idea what you are going to say. What is the timing of this disclosure of a more transparent approach?

Mr DAVID SHOEBRIDGE: And tell the Committee about this contract that the Hon. Trevor Khan says is attached to your submission as well?

Mr SEVERIN: I will ask Mr Koulouris to talk about the detail. We have developed a standardised performance framework for all of our operations. It has been implemented through the tenders for Grafton, John Morony and Parklea and through benchmarking in the public sector managed centres; same framework and KPIs, different targets, obviously. Once that program is completed we will then start reporting. We get reports on John Morony, because that is already operating under this new regime, and we start getting reports on some of the centres that have gone through benchmarking. But we cannot start measuring until we are actually giving the centre the opportunity to change its operation to be able to perform in accordance to the agreed KPIs and targets. Mr Koulouris, you might want to talk about the details.

Mr KOULOURIS: There are two key elements to the framework. One is our clear articulation of operational service specifications. Essentially, that outlines all the key elements that a provider of correctional services, or a prison, must deliver to ensure a whole range of positive operational outcomes, ranging from the reception of inmates into custody, right through the continuum of their care while they are incarcerated, and including their release from custody. Those essential elements will allow us to ensure that at a minimum prisons are operating ethically, humanely and in accordance with all the legislative requirements.

In addition to that, we have developed a suite of KPIs that are very much focused on an outcomes model. The current contract we have for Parklea as a private provider is very much focused on outputs, certain elements need to be done and assessed, but there is no real focus on the quality of outcomes. We wanted to shift

that to have it as an outcome-based model. Those KPIs that we have developed centre around a number of key goals. The first one is around safety and security. That is of paramount importance to us in the correctional system. The other key outcome area is rehabilitation and reintegration. We want to maximise the opportunity that inmates have to undertake rehabilitation activities and to reintegrate into the community so that on their release they can lead more law-abiding lives. The other key outcome for us is around humane inmate management, decency and respect. There are a number of KPIs that would act as a measure of that within the prison system. Lastly, professionalism and accountability, which is the way in which staff and the operator, whether it be public or private, deliver correctional services.

There are 17 KPIs. They were internationally benchmarked. We looked at jurisdictions across the world to take the learnings from various correctional jurisdictions to ensure that we have a set of KPIs that could give us a very definitive view of the quality and operational performance of prisons and allow us to compare prisons, both in the public and private operating sphere. For the first time we will be able to do that. Each KPI will have a performance target and that would be predicated on a whole range of factors, for example, the operational functions of the prison.

A remand and reception prison predominantly deals with inmates who are of higher risk. They are being received into custody for the first time or they are awaiting trial and possibly sentencing, and they are high-risk inmates to deal with. Certain targets might be calibrated for that, which might differ for a prison that is a minimum security prison. What we will be able to do is calibrate those targets for each prison and then present that information publicly in the form of a league table similar to the United Kingdom model so that the community has assurance that prisons are delivering on operational outcomes and have transparency in terms of performance. What that will allow us to do is prison by prison assist them in achieving the KPIs and targets, and that again would be a first in Australia.

Mr SEVERIN: To finish up that question, we are going to publish a league table, so there will be a true comparator publicly available between every centre in New South Wales in accordance with those KPIs and as moderated by the targets, obviously. That will be public knowledge. The current contract for Parklea is available. There are some redacted parts that relate to the commercial-in-confidence parts. We are currently looking at that for the new contract to have full disclosure. That is certainly my preferred option, but there may be other sensitivities that I need to take into consideration.

Mr DAVID SHOEBRIDGE: Do you say the same about Junee?

Mr SEVERIN: Yes, absolutely.

Mr DAVID SHOEBRIDGE: Publicly available?

Mr SEVERIN: Yes, the Junee and Parklea contract—and correct me if I am wrong—they are available. We have not published them on our website. There are redacted parts.

Mr DAVID SHOEBRIDGE: Will you provide a copy of each to the Committee?

Mr SEVERIN: Yes, certainly. There are redacted parts that relate to the commercial-in-confidence issues. If I provide those, they will not be provided for publication, but I do not have a reason not to share that with the Committee, as a Committee. In the future, I hope that we can open that up even further. For me, this is not about anything else other than providing an operational environment where we have a mix of operators that will continue to drive performance forward.

Mr DAVID SHOEBRIDGE: Was there not a consultancy that helped develop the KPIs, the benchmarking?

Mr SEVERIN: No, there was not.

Mr DAVID SHOEBRIDGE: Did Macksam Consultancy give you any advice?

Mr SEVERIN: Macksam Consulting was originally engaged to do a very high-level desktop analysis that then resulted—

The Hon. TREVOR KHAN: What does that mean? I hear those terms all the time. I never quite know what it means.

Mr SEVERIN: Macksam is a—

Mr DAVID SHOEBRIDGE: Desktop means they never visited anywhere.

The Hon. TREVOR KHAN: Is that what it means?

Mr SEVERIN: What?

Mr DAVID SHOEBRIDGE: Desktop means they never visited anywhere.

The Hon. TREVOR KHAN: Desktop?

Mr SEVERIN: It was desktop. They never went out to—they just got data off our payroll, our roster sheets, et cetera. That was it. They just looked at how could we possibly design a meaningful benchmarking program. That document is Cabinet-in-confidence, and I know there has been a lot of—

Mr DAVID SHOEBRIDGE: How much did it cost?

Mr SEVERIN: I would have to take that on notice. The consultancy was not very expensive. I will take that on notice and provide that information in due course. The consultancy report then informed a process that was completely separate. It looked at some of the parameters that the report recommended to look at—30 areas of focus. But it then fundamentally redrew the detail of what we may or may not be able to do. Then we created our own desktop benchmarks, which are the ones that finally go out for consultation to the prison. I can say with absolute confidence, and very clearly, there is not a single bit of information or document relevant to benchmarking that has not been shared with the staff. Not a single document is in existence that is relevant to benchmarking that has not been fully shared with the staff.

Mr DAVID SHOEBRIDGE: Except for the initial report that kicked it all off, which is the Macksam Consulting report. Can you understand the frustration from staff and the union perspective when the report that kicked it all off is still hidden and secret?

Mr SEVERIN: The Macksam Consulting report, which is Cabinet-in-confidence, bears no resemblance—no resemblance whatsoever—to what is actually happening.

Mr DAVID SHOEBRIDGE: That is why proving that would be to make it public.

Mr SEVERIN: No resemblance whatsoever. I can clearly say that this report is not in any way a detail that we use to inform any of our processes at all. I am happy for my colleagues to go through the detail of how we actually arrive at the benchmark. It is quite a sophisticated process. It is very engaging and it is one that I think provides total transparency and fairness.

Mr DAVID SHOEBRIDGE: That was not my question so maybe someone else would like to explore that later. Surely one of the key outcomes for a Corrective Services facility is ensuring people do not come back. Is recidivism one of the KPIs?

Mr SEVERIN: No, recidivism is obviously a result of a longitudinal study. We are currently measuring return to prison, return to corrections on an annual or biennial basis; biennial is for the report on government services. Recidivism, as such, in respect of an individual prison and its contribution to recidivism is not an outcome for the individual centre. It is obviously an outcome for the organisation under our strategic plan, under the State Government objectives, but the KPIs are very clearly those, and that is what Mr Koulouris alluded to that contribute to reducing reoffending: creating healthier environments, making sure we are safe and secure, involving prisoners in more programs. Doing all the things we know—

Mr DAVID SHOEBRIDGE: Commissioner, I have seen the list of 17. The key one that is missing is, doing the best you can, ensuring that once prisoners leave they do not come back. Yet, remarkably, that is not one of the KPIs.

Mr SEVERIN: Can I just—

Mr DAVID SHOEBRIDGE: The key outcome is not one of the KPIs.

Mr SEVERIN: We are talking about KPIs for individual prisons here.

Mr DAVID SHOEBRIDGE: Correct.

Mr SEVERIN: Of course Corrective Services NSW and I as the Commissioner have a clear KPI of reducing reoffending by 5 per cent by 2019.

Mr DAVID SHOEBRIDGE: None of the organisations in the form of prisons that are actually managing the prisoners are responsible for it.

Mr SEVERIN: They are very much responsible for it because all the things they need to do are the things we know make a difference. More programs make a difference, more engagement in work makes a difference, more time out of the cell makes a difference. All of these things are the things that matter when it comes to reducing reoffending.

Mr DAVID SHOEBRIDGE: A lot of it looks like tick a box. Is there a case plan intervention completed? The concern is that these will all be tick a box, and the final outcomes, the things that are really meaningful, are not being measured. The final outcome is: Does someone get a job when they leave or will they not come back to prison?

Mr SEVERIN: They are being measured. They are not being measured at a centre level. If there is any indication that we can do that in a meaningful way, I would be the first person to totally embrace that. We are doing it—

Mr DAVID SHOEBRIDGE: GEO Group said that is the way Victoria is going. Have you had a look at where Victoria is going on its benchmarking?

Mr SEVERIN: I certainly have. When you look at the draft contract, it has a recidivism measure in it.

Mr DAVID SHOEBRIDGE: I am sorry?

The Hon. TREVOR KHAN: Let him answer, for heaven's sake.

Mr DAVID SHOEBRIDGE: If there is a recidivism measure in Grafton, why is it not in the public system with the other 38 prisons?

The Hon. TREVOR KHAN: Your blood pressure is going up again.

The CHAIR: Order!

Mr KOULOURIS: If I might answer, in terms of KPIs, a number of them focus on rehabilitation and reintegration. They have been designed to ensure that each prison undertakes activities that are proven by evidence, internationally and in Australia, will lead to a positive outcome when that inmate is reintegrated into the community. For example, the key thing for an inmate on reception into custody, and when they are sentenced, is that you have a detailed case plan developed to understand what are their needs, what are the factors that increase their risk or have led to their offending behaviour. A plan is then developed, so during incarceration a number of interventions can be made with that inmate, whether it be programs, education or training to ensure that when they are released from prison they are able to find work and get some stability and live a law-abiding life.

The first one is: Is there a plan? The second one is intervention. Historically, particularly in the private sector contracts we have got, they measure output. What we were measuring was inmate X went along and did a program. We were not measuring did they complete the program and if they completed the program was there an actual discernible improvement in their skills? For example, if it was an education program, that they went from literacy level one to literacy level two. The new KPIs will measure that, so that for each intervention that is developed by our specialist staff as being required by the inmate, they will ensure: one, that that inmate is given the opportunity to participate in those programs during the course of the sentence and; two, that they have completed them and there has been a discernible improvement in their skills or capability.

Other ones relate to time out of cell, so another important factor for rehabilitation and reintegration is that inmates engage in purposeful activity as they would if they were in the community. One of the key impediments to that is not having time out of cell to engage in that activity. This KPI regime measures the amount of time inmates have out of cell and, for our private sector contracts, there is a financial abatement. The private sector, in terms of all these KPIs will be financially abated where they do not deliver, because we know these are the factors that are important to ensure that inmates are rehabilitated and reintegrated.

In addition, with our private sector providers, there are incentive payments so they have to do more; when the inmate goes beyond the gate, when they are released into the community that there are certain linkages available—and some of them are using some very innovative programs with non-government organisations [NGOs]—so that inmates are given the opportunity to find stable accommodation and perhaps be teed up with job providers if they need further education out in the community.

Mr SEVERIN: If I can just add one aspect to it, picking up on the comments regarding Grafton and so on? A couple of things also need to be noted. First of all, inmates move around the system so it is quite difficult—

Mr DAVID SHOEBRIDGE: It is a task to apportion, I accept that.

Mr SEVERIN: It is quite difficult, but I totally agree with the fact that ultimately we want to measure at every level of prisoner management in custody and in community corrections. We manage 19,000 people in community corrections, and we are doing quite well, much better than the national average—we don't at the moment in custody—that we are, whatever we do, reducing reoffending. That is the primary focus and we

measure that. I am not arguing against the proposition; I am just trying to explain as to why it has not been included in the KPIs for individual prisons at this point.

Mr DAVID SHOEBRIDGE: Can you share with us, either now or on notice, the provisions about recidivism and how it impacts on KPIs and the contract for Grafton?

Mr SEVERIN: I need to take that on notice but there is certainly a mechanism.

Mr DAVID SHOEBRIDGE: Then on the case plans and the case plan intervention, as I understand it, the basic threshold is that 70 per cent of eligible inmates need to get a case plan to meet threshold one, is that right?

Mr SCHOLES: Can I just speak to that? The case management changes as part of this model is probably one of the biggest changes we have had.

Mr DAVID SHOEBRIDGE: It was a simple question though. Is it 70 per cent for threshold one?

Mr SCHOLES: No, it refers to medium and high risk, so we have actually just introduced a whole new model of case management unit operation dedicated case staff to deal with medium and high risk offenders so that we are actually producing really detailed plans now to cover off on some of the things you are referring to in terms of reducing reoffending. For example, if they do not have access to housing, if they are unable to fill out a Centrelink form, if they are unable to complete those basic functions, we all know they come back to jail.

The new case management model identifies people who are of a significant risk. All new remand inmates coming in will automatically get a service plan, which is a baseline case plan. Prior to these changes remand inmates did not get a case plan at all. What we have now got is full comprehensive coverage for all inmates. Lower level inmates will still have a case plan; it is dealt with through the case officers. However, we are making sure that we are targeting the risk, which is particularly focused on community safety.

Mr DAVID SHOEBRIDGE: But is it true that to meet threshold one for the KPI 70 per cent of the number of eligible inmates with a current place will have to have a case plan for those eligible inmates to meet threshold one?

Mr KOULOURIS: Mr Shoebridge, 98 per cent is our target so we expect 98 per cent—

Mr DAVID SHOEBRIDGE: Yes, 98 per cent is your target but to meet threshold one, which is what I keep asking—70 per cent?

Mr KOULOURIS: It varies on the prison. In terms of a remand facility, if we have inmates who are staying for sentences that are quite short—a few weeks—they might not always have a case plan.

Mr DAVID SHOEBRIDGE: Putting to one side remand centres, the basic threshold one performance range is 70 per cent to 98 per cent, is that right?

Mr KOULOURIS: The target is 98 per cent and what we are saying for abatements is if they fall between 78 and 98—

Mr DAVID SHOEBRIDGE: Threshold one is 70 per cent, is it not? That is how you meet threshold one?

Mr KOULOURIS: The target is 98 per cent and if they do not meet the 98 per cent they fall into threshold one, which is 78 to 98 per cent and then abatement one applies.

Mr DAVID SHOEBRIDGE: Seventy.

Mr KOULOURIS: Seventy and 98, yes.

Mr DAVID SHOEBRIDGE: And for the number of case plan interventions completed, again the bottom of threshold one is 70 per cent?

Mr KOULOURIS: That is right, but the target is—

Mr DAVID SHOEBRIDGE: 98 per cent—

Mr KOULOURIS: —is what we expect them to achieve and, if they do not, they fall into a range that is below the target and it is threshold one and threshold two and depending on the thresholds, the amount of financial abatements for the private sector would kick in.

Mr DAVID SHOEBRIDGE: What I am saying to you is this: Less than half of the eligible persons for a case plan can actually have a successful intervention and threshold one is still met because it is 70 per cent of 70 per cent?

The Hon. SCOTT FARLOW: But for threshold one they would be getting an abatement.

Mr SEVERIN: They pay a penalty.

Mr SCHOLES: From an operational sense the reality of it is that if you have a sentenced inmate who goes to a jail; so he comes out of remand—and we will exclude remand for a moment—within a week they all have a case plan. We can talk about whether it is 70 or 98 per cent, it does not make any difference because I can tell you now that I have got 13 jails in the north and I do not accept anyone who does not have a case plan coming directly in.

Mr DAVID SHOEBRIDGE: So why do the KPIs say that an acceptable performance, which is the definition of threshold one, can have less than half of inmates successfully completing?

Mr SCHOLES: I guess the KPI reflects a level of what might happen across-the-board from other jurisdictions but from our perspective and from a league table coming on, there will be hot competition from all the governors to make sure they are achieving the highest level outputs.

Mr DAVID SHOEBRIDGE: So why is your threshold one of acceptable performance so low?

Mr SCHOLES: In terms of that number there—

Mr DAVID SHOEBRIDGE: I am not directing this to you, Mr Scholes, I am probably directing it to Commissioner Severin.

Mr SEVERIN: I would not necessarily say that it is so low. I am saying that it is a target that it is based on the original analysis of performance as it was at the time. Then it sets a stretch target that centres have to achieve. Obviously we do not abate financially in the public sector. The ultimate aim of course is to reach 98 per cent of eligible inmates having a case plan and then, more importantly, not just a case plan but actually actively involved in implementing that case plan. What I do not want to do is create a situation where I am setting targets that under current performance are unachievable. We clearly want to make changes to the way we operate so that they become achievable incentives right through from a very new centre like the mid North Coast or South Coast to the old Goulburn or Bathurst.

The Hon. DANIEL MOOKHEY: You mentioned that Parklea prison has Corrective Services monitors in situ. How many?

Mr KOULOURIS: There are currently between three and five monitors at Parklea during the course of the week. They cover all shifts, both morning, afternoon and night.

The Hon. DANIEL MOOKHEY: What is their job and who do they report to?

Mr KOULOURIS: They report to an experienced general manager, who reports to me. The staff that I have available to undertake the monitoring of the contract probably have a combined total of about 150 years of custodial experience and their job is fairly dynamic. They are there to do a number of things. One is to assess the operational performance of the centre with a focus on safety and security, ensuring that Parklea fulfils their obligations around programs and activities. They conduct thematic reviews; they operationally test certain aspects; they observe practices across the jail and conduct a range of compliance and monitoring functions and also are in a position to alert us within Corrections should they have any concerns with any of the activities at Parklea.

The Hon. DANIEL MOOKHEY: How frequently are they issuing such alerts in respect of Parklea?

Mr KOULOURIS: It is a fairly dynamic model. They are there on a daily basis. They monitor a whole range of functions, everything from inmate reception and gatehouse practices that people might have observed as we did our tour today.

The Hon. DANIEL MOOKHEY: We had the GEO Group tell us this morning that they provide their intelligence reports to Corrective Services monitors, is that correct?

Mr SEVERIN: There is certainly an exchange between the organisation and us.

The Hon. DANIEL MOOKHEY: How frequently does that occur? Is it daily? Is it a morning update they send, a weekly update they send or a risk matrix basis by which they receive reports and the speed by which they report them? How does it work?

Mr SCHOLES: The incident reporting modules [IRMs] are daily. Every correctional centre, whether it be Junee, Parklea or any of the public centres, report any incident or event on to the incident reporting module. That is available to about 130 senior staff right across the agency so that we can assess and analyse it. That also

includes where you talk about intel to the Corrections Intelligence Group who then do the analysis of anything that might be happening.

The Hon. DANIEL MOOKHEY: When you say anything is reported, that is very broad description. Can you give us more detail about the nature of the reports being filed on to that portal?

Mr SCHOLES: Yes. Anything that might be as simple as a low-level inmate-to-inmate fight, an assault, or an escape.

The Hon. TREVOR KHAN: We would expect escapes to go in.

Mr SCHOLES: Absolutely escapes. We try to minimise those at all costs.

The Hon. DANIEL MOOKHEY: Do you find out before the media does? Sorry, keep going.

Mr SCHOLES: Anything that is significant. For example, if we had an erroneous release of an inmate or we had a discharge issue or an officer was assaulted, whatever it might be. All of those matters are mandatory reports into the system.

The Hon. TREVOR KHAN: What about a phone found in an internal cavity?

Mr SCHOLES: Contraband, absolutely. Everything from drugs, phones, whatever, the whole lot.

The Hon. LYNDA VOLTZ: With the monitors there, were any concerns raised about search procedures prior to the contraband issues the Minister raised about Parklea?

Mr SEVERIN: There were certainly a range of concerns raised in relation to the consistency of certain procedures like search procedures and other things. Again, that gave rise to me ultimately deciding to direct the intervention.

The Hon. LYNDA VOLTZ: Was that before the release of the video in July 2017?

Mr KOULOURIS: That is correct. In late 2016 and early 2017 the monitors alerted me to a number of concerns they had particularly regarding contraband and certain practices of staff designed to interdict or prevent them from entering the secure perimeter and, as a result, the Commissioner directed that we undertake what is known as a wellbeing review.

The Hon. DANIEL MOOKHEY: Are you able to layer on top of your explanation the recurrent chronology of what you are explaining? When did all this happen?

Mr KOULOURIS: Certainly. In late 2016 and early 2017 the monitoring staff we had deployed at Parklea identified a number of trends in Parklea's operational performance in relation to contraband. So certain practices of staff they observed they would correct immediately but they noticed they were happening with increased frequency. That caused us some concern and, as a result, the Commissioner directed that we conduct what we call a wellbeing review, which was basically a complete review of the operations of Parklea with a focus on safety and security.

The Hon. LYNDA VOLTZ: What date was that?

Mr KOULOURIS: That occurred in March-April 2017.

The Hon. LYNDA VOLTZ: So that was before the release of the video?

Mr KOULOURIS: Yes, it was.

The Hon. LYNDA VOLTZ: What did the wellbeing review find?

Mr KOULOURIS: It found a number of issues that we believe may have been contributing to the increased findings of contraband within the prison.

The Hon. TREVOR KHAN: The Commissioner directed the wellbeing review but when was it actually undertaken?

Mr KOULOURIS: March-April. So basically—

The Hon. DANIEL MOOKHEY: When did the Commissioner direct the review?

Mr KOULOURIS: Well before that video, before we became aware of that video.

Mr SEVERIN: The video was taken the year before.

The Hon. LYNDA VOLTZ: No. In July 2017 it was released to the public but in March-April you undertook the wellbeing review. So three or four months before the video was released to the public you already knew that there were issues around contraband and you had taken some steps. What were those steps?

Mr KOULOURIS: We basically reviewed their whole operation. We appointed an independent governor from our system, with years and years of custodial experience, backed up by the monitoring team.

The Hon. LYNDA VOLTZ: When did they come in?

Mr KOULOURIS: In March-April of 2017.

The Hon. SCOTT FARLOW: So at the same time as the review?

Mr KOULOURIS: They were the review. They lead the review for us.

The Hon. LYNDA VOLTZ: So why was there a swoop in July 2017?

Mr SEVERIN: Can I just go through the chronology? We need to bear in mind one fact: this video was taken the year before.

The Hon. LYNDA VOLTZ: In 2016, we understand that.

Mr SEVERIN: I got increasingly more concerned resulting from the reports we got and instructed that we would do a wellbeing review.

The Hon. DANIEL MOOKHEY: When did you give that instruction?

Mr SEVERIN: It would have been immediately before it started. We can go back to the exact dates, if you want the exact dates.

The Hon. LYNDA VOLTZ: You can take that on notice.

Mr SEVERIN: I am certainly happy to take that date on notice, but it was in March-April of last year. We then undertook the wellbeing review. We provided a report to the GEO Group, which they considered and they responded to us in relation to recommendations that we made. Again, we can provide you with the date when that happened.

The Hon. LYNDA VOLTZ: When did you put in your staff?

Mr KOULOURIS: The staff conducted that review in March-April 2017. They came up with a list of very detailed findings and we requested that the GEO Group immediately develop a remedial action plan as to how they were going to address them, so we could assess that for its adequacy and to ensure that in our view it would deal with the concerns we had identified. In the process of that we then became aware of the existence of the video on YouTube.

The Hon. SCOTT FARLOW: That is July?

Mr KOULOURIS: That is in July 2017.

The Hon. LYNDA VOLTZ: Can I just take you back a step? You said that you put a senior person in charge.

The Hon. DANIEL MOOKHEY: An independent governor.

Mr KOULOURIS: To lead the review.

Mr SEVERIN: Only to lead the review.

The Hon. SCOTT FARLOW: So the review is the independent governor?

The Hon. LYNDA VOLTZ: Hang on. When you say you put the governor in, that was only to lead the review?

Mr KOULOURIS: That is correct. The monitoring staff remained at Parklea and they assisted, along with operational experts from Corrections. They did a full-scale review of Parklea and the concerns that the monitors had identified to determine the cause and to make a number of findings. The GEO Group went away and developed a remedial action plan. In July 2017 there was the issue of the contraband and the inmate who posted that video on YouTube. That prompted the Commissioner to direct the intervention.

The Hon. LYNDA VOLTZ: Mr Severin, when the media release was put out on 18 June with the contraband swoop, had you already undertaken some form of changes following the review undertaken in March and April?

Mr SEVERIN: I certainly would not have informed the media of that.

The Hon. LYNDA VOLTZ: I am just wondering because you informed the media about the contraband. Why did you not inform them about your sweep on 18 July 2017?

Mr SEVERIN: I informed the media following the release of the video that I had made a decision to have an intervention. They are quite different types of actions. The wellbeing review was commissioned as we would do in any prison if we had an indication that there were some systemic issues that may need to be addressed. We then send a senior team in to take a look at the operation—do it as an operational support process—and come up with some recommendations that the management team and the staff can then implement. The intervention was a quite different approach in that we had a team go in that actually did not take over the running of the facility because I did not want to relieve the GEO Group from that responsibility and accountability. They literally were accessing everything they needed to access 24/7 over a period of a number of weeks to stabilise practices. The wellbeing review obviously identified a range of things but I still was not satisfied that the action had been implemented as thoroughly as I would have expected to ensure that we continued to stabilise the intervention that was happening. That is something that certainly at the time the media was asking questions about and wanted answers.

Mr DAVID SHOEBRIDGE: Would it be fair to say that the remedial action plan identified by the GEO Group, that you already had in your hands at the time you ordered the intervention, you thought was inadequate?

Mr SEVERIN: The action plan was fine but the implementation of remedial action was not to my satisfaction.

Mr DAVID SHOEBRIDGE: I am trying to work out what changed, apart from the embarrassment factor of the media reports, that lead you to do the intervention in July?

The Hon. LYNDA VOLTZ: What was the problem with the remedial action?

Mr SEVERIN: I think it is fair to say at the time—since then we have had a change of management and I think that was a very healthy change—there was not the sense of urgency that I expected the group to take in decisively implementing action.

Mr DAVID SHOEBRIDGE: You can take this on notice, but could you provide us with a copy of the wellbeing report and the remedial action plan?

Mr SEVERIN: I need to take that on notice because both reports are highly sensitive. They contain highly sensitive information and I will not say that I will provide the Committee with a copy of the report.

Mr DAVID SHOEBRIDGE: I am asking you to take it on notice because I do understand the nature of what some of the material might be.

The Hon. LYNDA VOLTZ: If you had concerns around the urgency with which they were undertaking the remedial plan, why did you not at that point get an experienced team in to shadow the staff at the centre? Why did you wait until the release of the video?

Mr SEVERIN: The video, quite frankly, topped it off. For me, it was a clear indication that more decisive action was necessary.

The Hon. LYNDA VOLTZ: But you knew that the video was from 2016, which predated your remedial plan.

Mr SEVERIN: I certainly did, but you also need to understand that we were looking at some systemic issues relating to the illicit introduction of contraband to the facility. I will not go into the details of that, because some of it is still subject to proceedings that are underway, but I was not satisfied at that point in time that all the necessary action was taken as decisively as I would have expected. For me, rather than stepping in and taking the contract back, it was the next step in the continuum, which, again, had not been done in Australia before. It was a very serious step under the contract to ensure that not only were we told of things there were happening, but also that we had firsthand evidence that the changes that we considered had to be made were being made.

The Hon. SCOTT FARLOW: You went in and intervened in July of last year. What improvements have been made subsequent to that intervention?

Mr SEVERIN: Mr Koulouris can answer the detail of it, but I will give a broader answer to the question.

The Hon. TREVOR KHAN: Put in a new manager for a start.

Mr SEVERIN: There has been a much tighter regime when it comes to cell searches. There has been a much tighter regime when it comes to the control of working equipment—keys and the like. There is much tighter control of the way staff operate. Middle management has been strengthened. There is a much stronger focus on middle management taking a far greater role in the day-to-day operations. I understand that some additional managers have been introduced to the facility. That was clearly an element that was identified as being lacking. There were other operational improvements that Mr Koulouris might want to speak about.

Mr KOULOURIS: A whole range of improvements were made. A number of additional staff were employed and posts put on in each shift to ensure critical security functions were enhanced. That included officers at the gatehouse and in area 5, where we toured today. A number of officers were dedicated to assist with the construction activities that are occurring. The GEO Group implemented the security support teams. Again, we saw them in operation and spoke to their manager during our tour. GEO were able to ramp up their capability to do specialised searching and their security functions within Parklea to help interdict and prevent contraband.

It implemented an armed perimeter patrol and installed a number of new technologies, including the Body Orifice Security Scanner chairs, the handheld non-linear junction detection units, and mobile telephone proximity sensor technology so it could determine mobile phone signals within the jail, locate them, and then seize any illicit contraband. Very recently, it got final approval to implement drone detection technology at the jail. It has also engaged operational experts in custodial practice to independently review and report from the GEO side, which is a major improvement in increasing its capability to address safety and security concerns. It has increased auditing and random checks in various areas, the results of which are validated and monitored by the Corrective Services independent monitors who are stationed there.

Mr DAVID SHOEBRIDGE: That is an extraordinary list of interventions. Just hearing it makes me feel really fearful that things must have been quite dire before it was implemented. It is not a few little things, but major management changes, major technology changes and major security changes. Can you understand my anxiety around what was there before if that is the list?

Mr KOULOURIS: It is the only prison in New South Wales that deploys that combination of technology. A number of the technologies were new and were introduced specifically to try to address the concerns that we had with respect to the contraband. There is no doubt about it, the level of contraband detected at Parklea was higher than at both the comparable prisons we indicated in our submission and others across the State. We intervened pretty decisively in terms of both the operations and the wellbeing review to identify possibilities for how the contraband was being introduced and to eliminate them. GEO Group went away and introduced all that new technology, increased the number of staff in key posts at our insistence, and made a number of operational changes.

The Hon. DANIEL MOOKHEY: As I understand it, you became anxious about what was going on when your monitors in the prison were delivering reports to you. Between the end of 2016 and March or April of 2017 you made the decision to commission a wellbeing review, which I can only presume is a pretty serious decision in and of itself. Did you inform the Minister's office in March or April that you had commissioned that review and, if so, when did you do that?

Mr SEVERIN: I certainly would have informed the Minister that we were undertaking an operational review. It is an operational issue, so I would not have provided a great level of detail. But, fundamentally, the wellbeing review, as I mentioned before, is a measure that we would take in any of our facilities if we had a concern about some possible systemic issues that needed to be addressed. The intervention was a much more serious decision.

The Hon. DANIEL MOOKHEY: But how many other wellbeing reviews in the same period did you commission? Was the Parklea wellbeing review that you commissioned in March or April the only wellbeing review being undertaken with respect to the correctional system in New South Wales at the time?

Mr SEVERIN: At that point in time, I would have to take that on notice.

The Hon. SCOTT FARLOW: How many would be done a year, Commissioner?

Mr SEVERIN: We do the thematic review--

Mr KOULOURIS: We have a range of thematic and qualitative reviews. I have a team of correctional specialists--

The Hon. LYNDIA VOLTZ: No, wellbeing reviews.

The Hon. DANIEL MOOKHEY: I am not asking about other thematic reviews. So that we can compare like to like, was there any other prison in New South Wales in March or April last year in which a wellbeing review was being conducted?

Mr SEVERIN: No.

The Hon. DANIEL MOOKHEY: If it is the case that this was the only one, my question is: Is it novel? Did you inform the Minister's office that this level of inquiry was required at Parklea prison and, if so, when?

Mr SEVERIN: I would have to take that on notice. I certainly would have informed the Minister, without necessarily going through every little detail. It is an operational matter. Certainly, when we commissioned the intervention, that was clearly a very different matter and the Minister was formally briefed. While the wellbeing review is important—and I am not taking away from that—it is not something that is fundamentally aimed to do anything but address concerns we have about systemic issues at a facility that need to be addressed in order to—

The Hon. SCOTT FARLOW: To return, Commissioner, to my question, how many wellbeing reviews would be undertaken a year?

Mr DAVID SHOEBRIDGE: Maybe you can provide on notice how many there have been in the last few years? That would be helpful.

Mr SEVERIN: We are talking about a private sector facility where we do not have direct daily involvement in operations. The nature of the wellbeing review is quite unique in the way it was designed, so we would not necessarily send a separate team in other—

The Hon. SCOTT FARLOW: But you might have an issues review that you are undertaking in Corrective Services—

Mr SEVERIN: We have reviews—

Mr KOULOURIS: Yes, a thematic review; a qualitative review.

The Hon. SCOTT FARLOW: You would not necessarily call it a wellbeing review?

Mr SEVERIN: No.

The Hon. SCOTT FARLOW: Perhaps that class of reviews, and those that you would consider to be equivalent?

Mr KOULOURIS: Yes.

The Hon. SCOTT FARLOW: That would be helpful. Thank you.

The Hon. TREVOR KHAN: Would you notify the Minister each time you undertake one of these—I do not know what a thematic review is?

Mr KOULOURIS: No.

The Hon. SCOTT FARLOW: But you notified the Minister on this occasion because it was a privately operated facility?

Mr SEVERIN: I am pretty sure I would have informed the Minister, but not necessarily done any formal type of notification. But, yes, it is because, obviously, we are dealing with the private sector operator at arm's length.

The Hon. SCOTT FARLOW: Which is what made it exceptional.

Mr SEVERIN: And so in that context, obviously the Minister has the ultimate responsibility, and—

The Hon. DANIEL MOOKHEY: The point is, by the time the Minister made his statement in July and saw the video about the contraband, he had every basis to believe and had been apprised of and knew that there was an issue and that you had commissioned a wellbeing review. Is that a fair assumption?

Mr SEVERIN: I do not think you can draw the conclusion from the wellbeing review to whatever the Minister might have said in July. He was reacting to a video that had context.

The Hon. LYNDIA VOLTZ: But the wellbeing review was specifically about the contraband that was coming in and that your monitors had serious concerns about. If the Minister was as outraged as he said he was

about the contraband video, how were they not as important as each other? Your monitors were so concerned about contraband that they made reports and you put in a report and measures.

Mr SEVERIN: I am not suggesting that they are not as important as. I do not want to second guess what motivated the Minister.

The Hon. DANIEL MOOKHEY: I am not asking you to do that.

Mr SEVERIN: Clearly, at the time I think it is fair to say and I think it is undisputed that there were concerns about the operation at Parklea Correctional Centre, we commissioned a wellbeing review and we had continued concerns about some of the operational issues. The video was literally what, in my view, topped it off and I instructed the intervention.

Mr DAVID SHOEBRIDGE: Would it be fair to say that the Minister might well have been outraged but he hardly would have been surprised, given his state of knowledge?

The Hon. DANIEL MOOKHEY: And he should have been forewarned.

The Hon. LYNDA VOLTZ: He knew.

Mr SEVERIN: The Minister was clearly—I am sure you have a very good recollection of what he might have said—outraged. Certainly he was very unhappy about the video and the fact that this was happening in such a public way. Of course, the Minister was very supportive of the intervention at that point in time and I continue to alert him to what that produced. The nexus between the wellbeing review and the video may well have been a factor for the Minister to express his outrage. I cannot say with certainty.

The Hon. LYNDA VOLTZ: Did he express his outrage to you when you reported to him about the wellbeing report and the actions you were taking in Parklea that were unusual? We have no evidence that that has happened before. Did he express at that time his outrage?

Mr SEVERIN: Very much so. The Minister was very concerned about the operation of Parklea at that point in time.

The Hon. LYNDA VOLTZ: That is in March and April.

Mr SEVERIN: I would not be able to tell you. I would have to take it on notice. I cannot remember if the Minister expressly expressed his outrage in March or April. I did inform him and, yes, I am pretty sure, because our Minister is very focused on the operation of correctional facilities, that he would have made clear that it would be his expectation.

The Hon. DANIEL MOOKHEY: The point is that the first time he sees a video is not the first time he knows that there is a contraband issue at Parklea prison.

Mr SEVERIN: I think it would be the first time with such demonstrable evidence.

The Hon. DANIEL MOOKHEY: I imagine seeing it on the news is an example of demonstrable evidence.

Mr SEVERIN: Of course we have contraband issues.

The Hon. LYNDA VOLTZ: But you do not think having monitors saying that they are so concerned that Corrections has to step in and bring the governor in and do a report.

Mr DAVID SHOEBRIDGE: That might actually be better evidence than a YouTube clip.

The Hon. DANIEL MOOKHEY: It is not like the arrival of the video in the public domain marked the first time the Minister knew about this issue.

Mr KOULOURIS: The monitors are there every day and they observe a whole range of work practices across the entire operations of the jail. On occasion they might observe a practice that they believe was not done as effectively as it should be and they make a record of that. When we notice a trend in relation to either human error or something that is not being done entirely as it should be that raises a concern. When those concerns got to a point we said that this certainly needs a review to determine the level and what changes need to occur to ensure that Parklea operates as it is required to.

Mr DAVID SHOEBRIDGE: There are two Rapid Build prisons, Macquarie and Hunter. What is the capacity of Macquarie?

Mr SEVERIN: Both are 400.

Mr DAVID SHOEBRIDGE: What are the current occupancy rates?

Mr SCHOLES: We are running at about 380 at each.

Mr DAVID SHOEBRIDGE: Over the course of the past six months how many inmates have been transferred to Macquarie and then sought to be transferred out because it was incompatible or just sought to be transferred out?

Mr SCHOLES: I would have to take the exact figures on notice but we are talking about a handful.

Mr DAVID SHOEBRIDGE: Could you do the same for both?

Mr CORCORAN: Twenty-five from Macquarie is my understanding.

Mr DAVID SHOEBRIDGE: What about for Hunter?

Mr CORCORAN: I could not tell you.

Mr SCHOLES: From my recollection there were about 10 or 15 from Hunter, just roughly.

Mr DAVID SHOEBRIDGE: Was that because the nature of a dormitory-style prison was confronting and difficult for those inmates?

Mr CORCORAN: I think mainly it was the level of activity in those facilities. There is a 15-hour structured day. For some people who have been used to being locked up for 18 hours a day, that level of activity was just way too much for them.

Mr DAVID SHOEBRIDGE: Can you give us on notice the incidence rates of inmate on inmate violence and those five or six reports of violence for both the facilities?

Mr CORCORAN: Yes.

Mr SEVERIN: We will provide you with the exact figures, but to date we have outstanding results in the context of inmate on inmate assaults. They are so much lower than in any other comparable facility—and this is maximum security. That is quite impressive.

The Hon. TREVOR KHAN: Why is it an outstanding result?

Mr SCHOLES: I was actually a sceptic for it when they were first being designed. From what I understand from the earlier comments, you are going to have a look at a rapid build. I encourage you to talk to the inmates. It is a totally different arrangement for those guys in terms of structured day. They are engaged. You can walk through and look at the classrooms that are brimming with inmates. They go into work. All of them work during the day. It is a half-day swap around, so it is work programs and industries. It is really amazing in terms of the culture and the environment. It is almost a campus-type environment, which is much better in terms of managing inmates. The staff absolutely love it as well. It is really something else.

Mr CORCORAN: We find with the dormitory style that they are falling into little communities and making all their own rules about how they operate in terms of the use of the bathrooms and those types of things.

The CHAIR: I note that you took a number of questions on notice. The Committee has resolved that answers to questions taken on notice be returned within 21 days. The secretariat will contact you in relation to that. Thank you very much for coming today and for the guided tour around Parklea this morning. I am sure we will look at a couple of other prisons. I look forward to that as well.

(The witnesses withdrew)

(The Committee adjourned at 4.46 p.m.)