

STATELINE NSW 20/02/09: 'Mr Privatisation'

QUENTIN DEMPSTER, PRESENTER: The split within the governing Labor Party in New South Wales from last year's electricity privatisation row is continuing into 2009. With exquisite irony, John Robertson, the man credited with bringing to an end the premiership of Morris Iemma in that privatisation split, now finds himself the Minister for Corrective Services. His first job? Privatising two of the state's prisons. Nick Grimm reports.

JOHN ROBERTSON, MINISTER FOR CORRECTIVE SERVICES: I've always been an advocate it's no good standing on the outside, complaining and so on. Someone presents you with an opportunity to go inside the tent and actually make a contribution, you should take that opportunity.

NICK GRIMM, REPORTER: That was the state's new Corrective Services Minister John Robertson telling Stateline last year about why he was opting for life inside the Rees Labor Government. When the former Unions NSW boss entered Parliament back in October, the man widely credited with doing more than anyone else to scuttle the Iemma Government's power privatisation plans vowed he would remain true to his roots.

JOHN ROBERTSON (archive footage, Stateline, 2008): You can rest assured I won't be becoming an advocate for privatisation. I'm not going to change who I am. I am not going to change my belief systems or my values. And I will continue to advocate for those.

NICK GRIMM: What a difference a few short months in politics can make. Fast-tracked into Cabinet, John Robertson has also been given the opportunity to demonstrate exactly where his loyalties lie after being

handed the corrective services portfolio. Awkwardly for John Robertson, he's been handed a job that puts him in charge of the privatisation of two of the state's biggest gaols - at Parklea in Sydney's west and at Cessnock on the central coast.

BRETT COLLINS, JUSTICE ACTION: We feel very disappointed. I mean, here's a man who as the head of union movement fought very strongly against the privatisation of electricity, and here he is on something as basic as looking after one's fellow citizens. I mean, a breach of the social compact between the government and its citizenry. And on that issue, to actually be prepared to drive it forward, to privatise the prisons, beggars belief on issues of political principle that worries us.

NICK GRIMM: It also puts him at loggerheads with many of the unionists he once represented.

KIM LOVEDAY, PUBLIC SERVICE ASSOC., NSW (Feb. 4): Running gaols at profit and profiting off the misery of others surely can't be the kind of humane society that we want to live in in NSW.

NICK GRIMM: Earlier this month, 100 prison guards at Sydney's Long Bay Gaol walked off the job in protest at the plans.

MATT BINDLEY, PUBLIC SERVICE ASSOC., NSW: We're not gonna go away until we win the battle. To privatise these gaols just isn't the answer.

NICK GRIMM: Matt Bindley is a Parklea prison officer and union organiser. He says prison privatisation is a recipe for trouble.

MATT BINDLEY: To make profit, they have to take short

cuts somewhere. Now the first place that they'll take short cuts is the numbers of staff on the ground, which will make the gaol environment an increasingly more dangerous situation.

BRETT COLLINS: We would expect there would be an unpreparedness to accept the authority of these overseas gaolers, these major corporations.

NICK GRIMM: NSW already has one privately-run prison - at Junee in the state's Riverina district. Established by the Fahey Liberal Government 16 years ago, the Junee correctional facility was Australia's first prison to be designed, constructed, owned and managed by private operators.

In contrast, Parklea and Cessnock are existing state-owned facilities, and the Government is now seeking tenders from a number of companies ready to take them over.

But to privatise the gaols, the Rees Government will have to ride roughshod over Labor Party policy. As this internal policy document show, the party's official position is emphatic.

LABOR PARTY POLICY DOCUMENT (male voiceover): "Labor opposes the private contract management of prisons."

NICK GRIMM: And that's a position still held by the left wing of the party.

Earlier this week, a meeting of the Labor left resolved to oppose the privatisation of Parklea and Cessnock, with the socialist left faction arguing it will worsen the overcrowding and unresourcing of the state's gaols.

LABOR PARTY FACTION DOCUMENT ON PRISON PRIVATISATION (male voiceover): "We call on the NSW Government to adhere to ALP policy which prohibits the privatisation of prisons."

NICK GRIMM: Also opposing the plans are the two Government MPs whose electorates take in Parklea and Cessnock prisons.

John Aquilina and Kerry Hickie are reported to have stated that privatisation doesn't stand up to public scrutiny.

The issue also crosses the political divide, with Opposition MP Pru Goward, whose electorate takes in Goulburn prison, another to condemn the Government's privatisation plans.

While it leaves John Robertson in a difficult spot, Stateline understands the real driving force behind prison privatisation has been the former Corrective Services Minister and current Attorney-General John Hatzistergos.

Senior party sources have told Stateline that he regards privatisation as the only way to force through workplace reform in the state's prisons.

Back in 2005, Parliament's public accounts committee identified that:

PARLIAMENTARY PUBLIC ACCOUNTS COMMITTEE (female voiceover): "The overtime, sick leave and other employee-related expenses in some publicly managed correctional centres are excessive."

NICK GRIMM: Then last year, reports emerged of a culture of overtime rorts inside the prison system, costing

taxpayers \$23 million a year. It was claimed some prison officers were taking excessive sick leave so that their colleagues could claim additional overtime payments.

Have prison officers brought change like this upon themselves because of the fact that by rotating work practises, the Government has said, "Right, well, we'll bring in private operators?"

MATT BINDLEY: I think firstly, we need to look at the fact that there's been no rotating. The inmate numbers over the last 10 years have gone up 60 per cent. The staffing levels don't reflect that, and the common trend every time that the inmate numbers spike throughout the system is posts are created on a supposedly temporary basis, and how they're funded is on overtime.

NICK GRIMM: This week, the Corrective Services Commissioner Ron Woodham wrote this letter to staff at Cessnock, making it clear that privatisation will go ahead by the middle of this year. He also writes that no staff member need lose their job.

RON WOODHAM'S LETTER, CORRECTIVE SERVICES COMMISSIONER (male voiceover): "I repeat: your options are: move to another location within the department; apply for a position with the successful contractor - with salary maintenance for 12 months. Note: if you elect this option, you will be required to resign from the department and you will be paid out any recreation and long service leave entitlements; apply for voluntary redundancy."

NICK GRIMM: An Upper House inquiry will begin hearing submissions on Monday, with Commissioner Woodham expected to be first out of the blocks.

And while John Robertson has declined his invitation to

appear, he did agree to speak to Stateline today.

John Robertson, last October you told Stateline that voters could rest assured that you weren't about to become an advocate of privatisation. But just a few months on and here you are arguing in favour of the privatisation of prisons. Your critics are gonna say it didn't take long for you to sell out.

JOHN ROBERTSON: Well, what we're doing is implementing a whole set of reforms in corrective services and a small component of that is private sector involvement in Parklea and Cessnock. But the way-forward reforms are much more than that; they're about dealing with a budget blowout in overtime, they're about changing work practices and they're really about making sure we're getting value for money for taxpayers in NSW, which is what people rightly expect of government.

NICK GRIMM: So explain why power privatisation was a Government policy that had to be stopped at all costs when you were Unions NSW boss, but now prisons privatisation gets your seal of approval?

JOHN ROBERTSON: Well, private sector involvement at two gaols is significantly different from electricity. Electricity was about the delivery of energy to every household and every business in NSW. We're talking about private sector involvement at Cessnock and at Parklea. There will still be 29 gaols that are operated by Government. What we're doing is making sure we're getting value for money here, and there are no parallels between what we're doing here and electricity.

NICK GRIMM: Well the State Opposition has confirmed to Stateline that it opposes the privatisation of prisons housing maximum security inmates, and that includes

Parklea and Cessnock. So, where does that leave you, John Robertson? Further to the right than the Coalition?

JOHN ROBERTSON: Well it's not an ideological argument. What we're doing here is we're running an argument about how we get maximum efficiency, what we can do about benchmarking our goals against privately-operated goals. I mean, in 1993, Junee was put in place under the Coalition Government. It's a goal that's worked effectively, efficiently, as I said earlier, meets all the performance targets, the key performance areas. It's equal to or better than the government-run goals. I mean, frankly, I'm amazed that the Coalition would be in this situation.

NICK GRIMM: But John Robertson, you were the man known as "Mr Anti-Privatisation". You came to the Rees Government saying you wanted to help it win back Labor's heartland. But doesn't this issue show voters at the end of the day that pragmatism wins out over principle?

JOHN ROBERTSON: Well what we're saying is that there's two operations here that we can get private sector involvement for a period of time under these contracts and we're going to maintain the remainder of the goals in government ownership. There is no plan for this, but it's about us having the capacity to benchmark. We can't have a corrective services system that doesn't move forward, that's not out there maximising the value for the money that taxpayers are putting into this system. We've got a responsibility and we've been doing that in the prison system ever since - certainly, that I'm aware, Commissioner Woodham's been involved, we've been driving down escape rates, we've been introducing new programs, we've been trying to introduce additional reforms and we will keep doing that.

NICK GRIMM: John Robertson, while cost cutting is obviously the order of the day in the state's prisons, this week we learnt that you wanted to spend half a million dollars on a flash new office for yourself. That's not exactly a good look in these times of financial austerity, is it?

JOHN ROBERTSON: Well, there will be no half a million dollar office fit-out - I can assure everybody of that. When I arrived on level 35, which was the area that I was given, the plans that were there had already been approved and they were there. The first that I or my office heard about a half a million dollar figure was when we were contacted by the papers and they told us half a million dollars. Frankly, I was outraged, just as everyone else was, about that sort of figure. I'm not into the size of the office and how flash it is. I started my working life on building sites as an electrician. I've worked out of the boot of a car. I don't want and I will not have a half a million dollar office fit-out. It is absurd and obscene and all the comments I've heard people on talkback radio making are justified. It is a disgrace and it won't be happening.

NICK GRIMM: Minister, thanks for talking to Stateline.

JOHN ROBERTSON: Thanks, Nick.

STATELINE NSW 27/02/09: 'Woodham's Lament'

QUENTIN DEMPSTER, PRESENTER: It's not very often that you see one of the state's toughest administrators figuratively throw his hands in the air and say, "They've got me." Well that's what happened this week when prisons boss Ron Woodham appeared before an Upper House inquiry into the privatisation of two of our main prisons. Mr Woodham told the inquiry that sections of his staff and their union were out of his control and the only way to beat them was to allow the privateers to take over. It was the lament of a manager unable to manage.

JOHN ROBERTSON, PRISONS MINISTER: What we'll be doing elsewhere is things like dealing with a budget blow-out in overtime of \$43 million by centralising rosters, dealing with work practices where currently we've got prison officers that are rostered onto a wing within a jail, that if the inmates move out of that wing, they stay in the wing, even if there are no inmates there.

QUENTIN DEMPSTER: If you think that's a bit "I'm alright, Jack", have a listen to some of the things Corrective Services commissioner Ron Woodham had to tell the Upper House committee. For instance, there was an

escape at Parklea gaol in which the absconders apparently stood for several minutes trying to hook onto a wall. They were under camera surveillance, but no-one was looking at the screen.

RON WOODHAM, CORRECTIVE SERVICES COMMISSIONER: No-one saw anything. And it is believed the prison officers in the control room at the time had been watching cricket on television.

QUENTIN DEMPSTER: And, if they weren't watching cricket, they were playing their own games.

RON WOODHAM: And more recently - this is only in the last month or so - information technology workers had to be specially brought in to repair the computer network after it became clogged with unauthorised files, including interactive video games brought in by staff, which the officers were playing during their watch instead of guarding inmates.

QUENTIN DEMPSTER: But there were more than allegations of out and out slackness. Committee members must have been wondering just how staff had been able to get away with so much for so long.

Mr Woodham revealed the overall powerlessness of management when it came to staff manipulating the system to their advantage.

RON WOODHAM: They'll do anything to keep every dollar in overtime and threaten management with industrial action if we try and change anything in the prisons. Parklea has a number of performance issues; the centre has significant levels of sick leave and has a high use of overtime. The militant and inflexible local PAVB insists on every position being filled, regardless of need and

sometimes keeps inmates locked in cells until all positions are filled.

QUENTIN DEMPSTER: At one stage, Mr Woodham provided this explanation for his department's inability to keep control of its staff.

RON WOODHAM: I'm not here just to bash unions.

COMMITTEE MEMBER: I wasn't asking it as a bashing question.

RON WOODHAM: It's not just the unions, it's their members that they have to manage as well as us. They have difficulty in managing some of them as well as we do. And it's the members that - it's the staff members in some of these facilities that make the difference. As an example, we've had to close a couple of facilities because, to be quite honest with you, the union or management couldn't talk any sense with them.

QUENTIN DEMPSTER: The union is dead against privatisation and dead against admitting to any roting of overtime or anything else.

MARK BINDLEY, PUBLIC SERVICE ASSOC.: I just don't think it stands up. The two centres that they've spoken about for privatisation, Cessnock would be in the bottom third as far as overtime usage and Parklea's not even in the top five with overtime usage. So that argument just doesn't stack up.

JOURNALIST: So what do you think is the Government's real agenda? Why do they want to privatise?

MARK BINDLEY: Because I think they've listened to the Department for too long, listened to what they've had to

say and they've been blinded by some of the things that have come out of the head office of the Corrective Services.

JOURNALIST: What's Corrective Services' agenda, then?

MARK BINDLEY: To take the easy option out. They don't want to sit down and have meaningful discussions with us in relation to how to fix this problem as a united team.

QUENTIN DEMPSTER: Finally, back at the committee, one member seemed baffled by Ron Woodham wood's lament.

COMMITTEE MEMBER II: I find that extraordinary. I really do. I find that your entire department is unable to run a prison system as effectively as a private enterprise when you don't even have to worry about making a profit.

RON WOODHAM: But we - this is one of the reasons why we're trying to implement these reforms. And of course privatising prisons is only part of the reform package. And it's not to waste public money and to make the system more effective and run it more efficiently. So privatisation's only part of the reform package of what we're putting forward and what we're implementing.