

# MEDIA RELEASE

## Use Prison Contracting to Deliver Better Prisons in NSW

– Embargoed until 11.30am, Friday 27 March 2009 –

The NSW government should demand higher standards of private companies involved in managing NSW prisons and ask them to deliver better outcomes in the rehabilitation and resettlement of offenders, a parliamentary inquiry was told today.

Gary Sturgess, who led the NSW Cabinet Office under Premier Nick Greiner, was giving evidence on behalf of the London-based Serco Institute, the corporate think tank that he now heads.

‘Writing a contract provides government with a unique opportunity to decide how it wants these prisons to operate, to make a fresh start.

‘There is no doubt that if it is done well, competition has the potential to deliver real productivity gains – in the UK, over some years, the savings have been in the order of 20 to 30 percent.

‘However, government should also seize the moment to demand higher standards in areas such as “hours out of cell” and “hours of meaningful activity”.

‘This can be achieved by specifying these conditions in the contractual performance targets, with financial penalties for failure to perform.

‘Moreover, prison management companies should be asked to innovate in programmes directed towards the rehabilitation and resettlement of offenders upon release, so that they are less likely to re-offend.’

Mr Sturgess drew lessons from the British experience with prison contracting, where the government used the private sector to drive through its so-called ‘decency agenda’.

‘When prison contracting was first introduced in the early 1990s, the Home Office used the opportunity created by this fresh start to introduce a revolution in prison management.

'Many of these innovations had been designed by the US Federal Bureau of Prisons, not by the private sector, but contracting provided an opportunity to import those lessons into the British Prison Service in the face of entrenched opposition by conservative prison administrators.

'The NSW government now has an opportunity to make a fresh start in the management of its prisons. It would be a matter of great regret if that opportunity was not exploited.'

Mr Sturgess argued that the private sector was not inherently better than the public sector. The evidence showed that the benefits in terms of lower costs and better conditions come from competition and contracting and not from privatisation per se.

**Background:** The Serco Institute is a corporate research institution, established in 1994 and funded by the British public service company, Serco Group plc. The Institute publishes applied research on government contracting and the design and management of public service markets.

Serco is a FTSE 100 company with an annual turnover in excess of \$6.5 billion and more than 60,000 employees around the world. It manages public services in science and defence, policing and corrections, health and education, traffic management and public transportation, municipal services and corporate support.

Gary L. Sturgess, the Executive Director of the Serco Institute, was Director General of the NSW Cabinet Office under Premier Nick Greiner from 1988 until 1992, and among other things, was the architect of the Independent Commission Against Corruption. He has been based in London since 2000.

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