

REPORT OF PROCEEDINGS BEFORE

CORRECTED PROOF

**SELECT COMMITTEE ON THE CLOSURE OR
DOWNSIZING OF CORRECTIVE SERVICES NSW
FACILITIES**

**INQUIRY INTO THE CLOSURE OR DOWNSIZING OF CORRECTIVE
SERVICES NSW FACILITIES**

At Sydney on Friday 23 November 2012

The Committee met at 9.00 a.m.

PRESENT

The Hon. P. Green (Chair)

The Hon. R. Borsak (Deputy Chair)

The Hon. D. J. Clarke

The Hon. A. R. Fazio

The Hon. S. MacDonald

The Hon. M. J. Pavey

The Hon. M. S. Veitch

CHAIR: Welcome to the first public inquiry of the Select Committee on the Closure or Downsizing of Corrective Services NSW Facilities. Before we commence, I would like to acknowledge the Gadigal clan, who are the traditional custodians of this land and I would like also to pay my respects to the elders, past and present, of the Eora nation and extend that respect to the Aboriginal people who may be present.

This Committee was established in September 2012 to examine various aspects of the decision to close or downsize Corrective Services facilities in New South Wales including the impact the decision will have on staff and their families who cannot move to other areas of New South Wales. We will also review the cost and benefits of such decisions. Today we are hearing from representatives of Corrective Services NSW including the Commissioner, Mr Peter Severin. We will also receive evidence from the Prison Officers Vocational Branch of the Public Service Association; the member for Clarence, Mr Chris Gulaptis, MP; and representatives from the Aboriginal Legal Service and Unions NSW. On behalf of the Committee I thank all our witnesses who are attending today.

There will be further hearings heard in Grafton on Monday 10 December 2012, where the Committee will hear evidence from other organisations and individuals. The Committee will also hold a public forum at the South Grafton Ex-Servicemens Club the same day. Details of these events are available on the Committee's website or by contacting the Committee secretariat.

Before we begin I will make some comments about procedural matters. In terms of broadcasting, the Committee has previously resolved to authorise the media to broadcast sound and video excerpts of its public proceedings. Copies of the guidelines governing broadcasts of the proceedings are available from the table by the door. In accordance with the guidelines, the media can film Committee members and witnesses but people in the audience should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee the media must take responsibility for what they publish or what interpretation is placed on anything that is said before the Committee.

In relation to questions on notice, witnesses are advised that if there are any questions you are not able to answer today but that you would be able to answer if you had some more time or certain documents at hand, you are able to take questions on notice and provide us with an answer at a later date. In terms of delivery of messages and documents tendered to the Committee, witnesses, members and their staff are advised that any messages should be delivered through the attendants and Committee clerks. I also advise that under the standing orders of the Legislative Council, any documents presented to the Committee that have not been tabled in Parliament may not, except with the permission of the Committee, be disclosed or published by any member of such Committee or by any other person.

In terms of adverse mention, I advise witnesses that the freedom afforded to witnesses by parliamentary privilege is not intended to provide an opportunity to make adverse reflections about specific individuals. Witnesses are asked to avoid making critical comments about specific individuals and, instead, speak about general issues of concern. Finally, can everyone please turn off their mobile phones for the duration of the hearing. I welcome our first witnesses from Corrective Services NSW.

PETER SEVERIN, Commissioner, Corrective Services NSW,

BRIAN KELLY, Assistant Commissioner, Metropolitan Region, Corrective Services NSW,

PETER PETERS, Assistant Commissioner, Office of the Commissioner and Human Resources, Corrective Services NSW, and

GLEN SCHOLES, General Manager, Offender Management and Operations, Corrective Services NSW, sworn and examined:

MARK WILSON, Chief Superintendent, Security, Corrective Services NSW, affirmed and examined:

CHAIR: I invite you to make a short opening statement.

Mr SEVERIN: I thank the Committee for the opportunity to appear this morning and talk about the issues relating to the terms of reference and the closure. In that context I refer to our written submission and I will just make a few additional comments. However, the essence of our submission is contained in our written submission, which we forwarded previously. I just want to briefly outline the involvement of my colleagues in various aspects of the closures and the downsizing of the Grafton Correctional Centre.

In his position Mr Scholes has central oversight in relation to those changed processes within custodial corrections and the agency and has been involved broadly across all of those projects, but in particular the Grafton Project. Mr Brian Kelly was the Assistant Commissioner responsible for the closures of the Parramatta Correctional Centre and the Berrima Correctional Centre. Mr Peter Peters, in his responsibilities, was charged with managing the human resource related aspects of the exercises. Mr Mark Wilson was onsite throughout the downsizing of the Grafton Correctional Centre and, hence, had first-hand knowledge in relation to all aspects of that particular undertaking.

I need to advise the Committee obviously that all of these closures and downsizing exercises happened before my tenure, but I certainly acquainted myself with the circumstances, the reasons and some of the drivers that led to those decisions. However, in relation to some of the detail, I would like to refer to my colleagues, as required, in order to ensure that you get accurate information and information that was relevant at the time.

The primary reason for engaging in the exercise to downsize and close facilities over that period of time was clearly a response to, first of all, the quite significant decline in prisoner numbers—some 1,000 prisoners were reduced and, hence, there was an opportunity to close older facilities, inefficient facilities, facilities that were very difficult and complex to maintain, and to reorganise and realign the operation of Corrective Services as far as prison management is concerned within the State. So this was the predominant operational reason, but also, of course, combined with the fact that the agency was required to gain increased efficiencies in its operations and there was really no case to be made to continue operating old building stock, despite the fact that operationally it was no longer required to do so.

The closure of the three prisons followed a very detailed analysis and risk analysis that was undertaken, which was also supported through some external vetting and validation and, as I understand it, is largely based on a range of factors, both relating to the demographics, the geographical arrangement, but most importantly, particularly in the case of the Berrima facility and the Parramatta facility, the age of those centres and the impact that the closure would have in relation to managing the correctional system into the future. In regards to the details of our HR strategies, the asset management strategies and the prisoner numbers development over a period of time, I refer to the written submission.

I turn to the Grafton downsizing. That caused a range of quite critical comments at the time and that has all been well reported. The reasons for downsizing Grafton in addition to what is contained in our written submission were largely the age of the facility, some 119 years old; the inherent cost of ongoing building and security system maintenance, which was very difficult in that facility at the time; the restrictions to building modifications as a result of heritage listings; and the very high staff establishment required due to those physical footprints and structures. So the layout of the facility, the building fabric and building structure clearly required a very different staffing arrangement as you would find in a contemporary, good practice, modern facility. That resulted in a very high cost to the Government in keeping inmates there.

Most importantly, geographically and logistically Grafton has not got a catchment area in relation to the prisoner population which would support the ongoing management of the facility, particularly given the commissioning of the Mid North Coast facility at Kempsey. That modern facility services the entire area and, indeed, as a result of the downsizing and the conversion of the Grafton facility to a reception and transient centre, it has taken up the predominant role of housing sentenced prisoners and also longer term remand prisoners there. Those are my opening comments. I welcome questions and look forward to providing more detail as we go. Thank you.

CHAIR: My first question relates to paragraph 1 (b) of the terms of reference. On page 14 of your submission it states:

CSNSW did not commission an independent rural impact statement prior to the 2011 closure of Berrima and Kirkconnell Correctional Centres or to the 2012 downsizing of Grafton Correctional Centre. The impact of the closures and downsizing were assessed internally.

Who made the decision to do that internally?

Mr SEVERIN: I would not be able to answer that, unless one of my colleagues can?

Mr SCHOLES: The former commissioner made the decision in terms of recommendations to go to government for any closures or downsizing.

CHAIR: Against what criteria would such a decision be made?

Mr SCHOLES: The proposed closures at Berrima, Kirkconnell and Parramatta were based on an assessment of cost per inmate per day as well as—previously mentioned by the commissioner—age of facilities and basically a review, which was supported by KPMG, an external review, in terms of which facilities would best be suited for closure taking into account the various factors that needed to be considered to meet the efficiency requirements of how the department would operate, particularly in relation to inmate logistics, movements between courts and what centres in relation to programs and the like that would best be consolidated.

Mr KELLY: Can I just add to that in relation to the closures?

CHAIR: Yes.

Mr KELLY: They were created by a reduction in the inmate population and also the commissioning of the South Coast Correctional Centre, particularly in relation to Parramatta and Berrima and I believe Kirkconnell also, and the opening of beds. In relation to Berrima we had an excess of female beds at the time. In the original design of the South Coast Correctional Centre there were 60 beds, all female inmates, and Berrima housed about 75 female inmates. There was also a big vacancy rate at the other female correctional centres and smaller areas at larger correctional centres such as Mid North Coast for female beds. It became very obvious when you have to do an assessment of the type of beds that we operate, and we also require funding for the new correctional centres such as the South Coast Correctional Centre, to look at the balance of the needs for housing of inmates and then, as Mr Scholes indicated, inmate costs per day and the age of the facility would come into play. It becomes a pretty logical exercise to go through to close correctional centres that were built in the 1800s that are not conducive to modern correctional practices. Those beds have been replaced by state-of-the-art new facilities such as the South Coast Correctional Centre.

Mr SEVERIN: The dot points on page 14 of our submission highlight the broader areas of consideration that were considered at the time. There was an impact made certainly in relation to staffing, as I understand it, for those three facilities. With Parramatta being a metropolitan facility, the redeployment opportunities for staff who did not want to avail themselves of voluntary redundancy were quite varied and it was seen as a very limited impact on staffing. At the Kirkconnell facility staff predominantly came from the Bathurst region and they were redeployed into the Bathurst or the Lithgow correctional centre. The Berrima facility was a small facility and it was also clearly evident that the impact on staff was not going to be significant in that particular facility. So all of those factors combined were obviously considered in making a recommendation to government for those facilities to be closed down.

CHAIR: You mentioned KPMG being involved. In what way were they involved?

Mr SCHOLES: KPMG were commissioned to provide a cost-benefit analysis to track whether or not there would be benefits realisation and that the closures would in fact align with the Treasury required savings.

CHAIR: I am happy to note that the Hon. Trevor Khan has asked when they were commissioned.

The Hon. MICK VEITCH: The Hon. Trevor Khan is not a participating member. He can sit there but he cannot say anything.

CHAIR: I am aware of that, but I am happy to take the suggestion of when they were commissioned. It is a fair question.

Mr SCHOLES: It was in 2011 but I need to take on notice the month.

CHAIR: Commissioner, likely community impact is listed as one of those dot points. For example, the impact on families with the movement of prisoners from Grafton to Cessnock—something like 500 kilometres away. Can you elucidate on the sort of information you would have received in that regard, especially in terms of economics, the loss of students from schools, hospital staff and those sorts of things.

Mr SEVERIN: I am not aware of any detailed analyses but I will take the question on notice. I am happy to provide that information.

CHAIR: Do you think that doing it internally was a truly independent way of getting an outcome on how to address this matter?

Mr SEVERIN: Certainly as an outsider coming in and knowing quite a bit about the corrections industry I could not see any flaws not just in the assumptions that were made but also in the evidence that was cited and produced that resulted in the closure of those particular facilities. I certainly reviewed the documentation and consider that there was quite a thorough analyses undertaken which resulted in the closure of the three prisons, and a whole range of other options obviously would have been canvassed at that time. The issue in relation to Grafton is predominantly a result of the geographical issues from an operational point of view, with the opening of the Kempsey facility some years earlier but also with the additional beds coming on line at the Cessnock facility there was a very strong case operationally to be made based on all the other factors that I mentioned in my opening statement for that centre to be downsized. It would not have been able to close because of the fact that we do obviously have to service the courts in that region and it would be prohibitively expensive to do that from those centres that I have just mentioned, but by maintaining a capacity for short-term remands and transitional-type arrangements that could be well achieved and maintaining obviously some 40 positions in that facility.

CHAIR: Would it be possible to table the KPMG assessment?

Mr SEVERIN: I will take that on notice. I need to make sure that the document is not Cabinet-in-confidence; otherwise I am quite happy to table it.

The Hon. MICK VEITCH: Thank you for your submission and your opening statements. Your submission talks about the community consultation committees. Can you explain to us who is on those and how they work?

Mr KELLY: I can answer that in relation to the metropolitan region. In places like Berrima it involves the local community association and business associations, some locations have schools, any residents associations and things like that. They are formed locally around each area generally. Usually people will express an interest in their local community and be put on there. They normally would meet monthly at the local correctional centre in relation to the operations of the correctional centre and any benefit that the correctional centres can provide to the local community through outside work gangs and such. In a metropolitan area they are more consolidated: instead of individual jails, it is a particular area. For Parramatta, there was a community consultative committee that normally met at Silverwater and it covered the Silverwater complex and Parramatta areas.

The Hon. MICK VEITCH: Are local MPs on those committees or do they have representatives?

Mr KELLY: Normally council has representatives rather than local MPs.

The Hon. MICK VEITCH: What involvement with the local MPs do those community consultation committees have?

Mr KELLY: I am not aware in my region of any that have a State representative on the community consultative committee but most of them have someone on council.

The Hon. MICK VEITCH: I am just looking at how they liaise. What is the process for them to be in any way communicating with local MPs?

Mr SCHOLES: In some locations, and it varies from location to location, some local MPs are very engaged with the local correctional centres, others not so much. Again it depends on geography I think, because there are 30 plus correctional centres around the State and some are in remote areas and some are in township areas. It is sort of dependent on the individuals.

The Hon. MICK VEITCH: Do you see any need for the local MPs to be involved in what is going on from time to time?

Mr SCHOLES: We absolutely encourage local membership from people that are influential within the community. I think it is a terrific thing. Having more people from local communities is great.

Mr KELLY: Can I just add that there is local MP involvement.

The Hon. MICK VEITCH: So there is?

Mr KELLY: There is but it is separate from the community consultative engagement. As Mr Scholes indicated, it normally depends on the local MP. But I can advise the Committee that for example at Parramatta Mr Geoff Lee became involved when there were rumours around that the correctional centre might close, and it had been downscaled over a period of time. He came out prior to any formal announcement and met with all staff. Post the announcement he came out and I personally took him through a tour of the centre. He was very involved. A lot of that depends on the local—

The Hon. MICK VEITCH: You can see where I am going with this. It would appear that when some of these facilities were downsized or closed it came as a shock to the MPs. I am trying to work out when they are told or when they are advised about these sorts of decisions in their local communities by Corrective Services.

Mr KELLY: As I said when the question started about the community consultative committees, normally they would have members of council in the local government area, and that is what it is. Generally State matters would come through the Minister's office and such. Certainly local State representatives that show an interest—and that is very common—will become involved. Certainly there are arrangements where a local member can come and inspect any jail at any time.

The Hon. MICK VEITCH: So it should not come as a shock to local MPs when a decision is taken? It should not come as a shock that a facility in their local electorate is being downsized or shut?

Mr SEVERIN: I might make a general comment to that. Obviously at the end of the day these are decisions made by government. The communication strategy both in terms of the development of the solution and the announcement of the solution obviously depends on what Cabinet decides. I guess that there would be not a sort of one-size-fits-all arrangement. You certainly have consultative arrangements in place for longer term strategies and you may find that in some other instances announcements are made and then there is obviously a process which follows in relation to the implementation of the decision that government has taken.

As a general principle I think it is really important that we have a very open relationship with local members. It does not matter which side of politics they are from because we are a very important player in a lot of communities, particularly in the regions, and it is important that we do take note of the community interests and also of course support the community where we can right across the State. That obviously does not mean that we can breach protocols of Cabinet confidentiality but as a principle from a departmental point of view I would strongly state that we will not hide anything for the sake of hiding it and we are very committed to ensure

that we have an open relationship particularly with the local members as it relates to their electorate and their constituents.

The Hon. MICK VEITCH: You would accept that we have a submission from a local MP who is quite critical of the actions taken to a facility in his electorate. That is why I am asking those questions. What has Corrective Services learnt from the processes it followed in Grafton particularly but also Kirkconnell and Berrima? What is the post mortem analysis of how it has all worked?

Mr PETERS: Can I just firstly say that in terms of the announcement for Kirkconnell, Berrima and Parramatta it was announced as part of the budget on 6 September. There was an announcement about the closures on 6 September that linked to the budget announcement on that day.

The Hon. MICK VEITCH: But you can see where I am going about the local MPs being aware.

Mr PETERS: Sure.

The Hon. MICK VEITCH: Because, to be fair, it does not matter which side of politics they are on: in my view it is a bit darn rude for a local MP not to know. A decision of that size being taken has a huge impact in Grafton. The local MP should have been told as a courtesy. I do not care what side of politics the member was from. It was, in my view, just rude and he was treated very poorly. Moving on, in your submission you say that the 2012-13 maintenance budget for Kirkconnell is \$475,000 and it has been mothballed. In 2011-12 it was \$252,000, so it is actually costing more for us to mothball it. For how long will it be mothballed?

Mr SEVERIN: My understanding is that the maintenance costs were one-off costs in relation to going through the mothballing exercise because we obviously want to preserve that asset in case we need it to operate or the Government needs it for whatever purpose. Particularly from our interests it is in case we need it in the future. You need to actually bring it into a state where you can have it safely sitting there without having an issue. For example, if somebody intrudes we do not want people to get caught in razor wire or inadvertently walk into a cell and the door shuts behind them and nobody is there to know that the people are there. They are just some considerations.

They were one-off maintenance cost. It is my understanding that the ongoing maintenance cost is not in that region. There is no plan at the moment to recommission Kirkconnell, but I understand that the difference between Berrima and Parramatta and Kirkconnell is that Kirkconnell is a facility that we will continue to own and we will continue to maintain in order to have it available if we need it in the future.

The Hon. MICK VEITCH: How long will it remain mothballed?

Mr SEVERIN: Until the decision has to be taken to reorganise it again or some other decision has to be taken. There is no finite date at this point in time for it to be discontinued or to be used for any other purpose.

The Hon. MICK VEITCH: You are saying that the \$475,000 stated in your submission is a one off?

Mr SEVERIN: There were one-off elements in it. That is my understanding. Then of course there are ongoing maintenance costs, absolutely.

The Hon. MICK VEITCH: What about on ground maintenance? For a mothballed facility that does not happen; we can let the grass grow and things like that. The submission says that the \$475,000 is for the provision of security only. I now take it that is not correct?

Mr SCHOLES: The ground maintenance components are actually managed by Bathurst, which is about 20 minutes down the road. The ground maintenance overseer comes up. Can I just answer the question you asked earlier in terms of when it will be open. It is actually driven by the inmate numbers. As the Commissioner said with the drop of a thousand-odd inmates—we do need to have a 5 to 10 per cent inmate buffer in case inmate numbers rise because it does fluctuate, particularly around Christmastime and the like. If the numbers go up it is a more cost-efficient process to have a system available than to try to build one. The procurement time or a long time for a jail build. So Kirkconnell is ideally placed between those other two larger centres if we need to revert to open another facility.

The Hon. MICK VEITCH: Can you take this on notice? I would like a breakdown of the \$475,000 because the submission clearly states "provision of security only". We have just found out that that is not right. Can I get a breakdown, including the one-off costs and everything? What is the status of Berrima at the moment? I believe there is a claim being put over it and there are heritage values. In your submission you clearly state there are heritage values. How are the heritage values being managed now and into the long term? I guess you also had some discussions with the local council around the ongoing management of that facility or that site.

Mr KELLY: Yes. There is some maintenance and that done down there with ground maintenance with community service order offenders, offenders being supervised on work orders in the community or intensive correction orders. There is also work done down in that area from Emu Plains Correctional Centre. In relation to the facility, our plan was to hand it over to the State Property Authority. I believe—I do not have firsthand information on this—there is an Aboriginal land council claim on the facility and that is outstanding at the moment. That has brought things to a halt. In the consultation with the community groups and residents association and other bodies during the closure, there was a lot of interest in that facility. You would appreciate it is like a small tourist facility off the main highway, a very historic precinct.

The Hon. MICK VEITCH: Yes, a beautiful little town.

Mr KELLY: Yes, and the courthouse right next to it and Harpers mansion were all built at the same time and the community were very interested—more than being concerned about the closure, about what the future use of that facility would be. That is a matter for the State Property Authority. We are not in the business of managing—

The Hon. MICK VEITCH: Has it been handed to the State Property Authority?

Mr SEVERIN: Not yet.

The Hon. MICK VEITCH: When do you envisage that?

Mr KELLY: It was in the process when that land claim was made.

Mr SEVERIN: My understanding is that that hinges on the outcome of that land claim.

The Hon. MICK VEITCH: I attended the community rally at Grafton and there was a corrections officers there who stood up. I felt quite sorry for him. He had been at Berrima and had accepted the transfer to Grafton with a guarantee that the downsizing or closure would not occur. Six months after he has moved to Grafton and this is what happened. He sold his home in Berrima and moved the family. In this process surely the workforce, moving people to facilities like that, even six months before it happened there must have been some sort of heads up that it would happen. It just did not seem fair to me that we have moved an individual and his family all that way for that then to happen to him.

Mr SEVERIN: I will make a general comment and then I will ask Mr Peters to back that up. This is partially also in response to the question you asked: What are the lessons learned? For me, of course, it is an opportunity to come in and, without being critical about the previous administration because fundamentally I believe the decision was right, I think what is needed and what we are working on now is a much broader master plan or almost in relation to how we would react in the future to a drop in prisoner numbers or, indeed, an increase in prisoner numbers and have a more integrated arrangement in place, not one that would have an order of merit but one that clearly outlines the dependencies not only in relation in staff but also in relation to prisoner management, prisoner transport, how we service courts and other areas of the criminal justice system, how that hangs together with the operations of police.

That will give us an opportunity, if we are faced with recommissioning or putting to government options to build new facilities, to know exactly where we are going; likewise if we have the situation where we might have to downsize or close, that we do that in a very considered way with a long-term view rather than a view that is project-by-project based. So I would like to think that that planning approach will give us an opportunity to avoid those type of unintended consequences of having people displaced twice within a period of time. I cannot comment on the details of this particular officer but my colleague who was in charge of the human relations [HR] group at the time might be able to do that.

Mr PETERS: First, let me comment that the decision to close Berrima, Kirkconnell and Parramatta, as I said earlier, was announced on 6 September. The HR group went into the centres on that particular day. In relation to Grafton, that decision to go in on that day or the entry into the centres on the day that it was announced that Grafton would be downsized or varied in terms of its operations, human resources went into that centre on 29 June 2012. At the time that we did the closures Grafton was not on the agenda for closure and was not a centre, to my knowledge or any of the human resources staff knowledge, that it was a centre that was under consideration for anything in the future.

In fact, with a downsizing in that population and depending on the circumstances at the time that decision as to further closures or further downsizing was not determined at the time that we did the closures of the three correctional centres. So it was something different in terms of coming up at a later point in time that the downsizing of Grafton from the human resources point of view became one for our attention.

The Hon. DAVID CLARKE: Commissioner, you said that the former commissioner made the recommendation with regard to Grafton, and that is part of his job. You said that you could not see any flaws in the reasoning for this. You said that the decision, in your view, was right. It was the right decision, and you listed certain reasons. You said the age of the facility, 119 years old, the maintenance difficulties, the difficulty with modification, given the heritage aspects. You talked about the external vetting. You talked about the changes in demographics as one of the reasons for these changes being made. You spoke of the reduction of the catchment area and the load being taken by other facilities in the general area, like Kempsey and so forth. You said all those things. So that is the situation. You have no doubt that this was the correct decision to have been made.

Mr SEVERIN: Yes.

The Hon. DAVID CLARKE: Was the community consulted before the staff were advised on 29 June 2012 of the proposed downsizing?

Mr SEVERIN: I will ask Mr Scholes to answer that question because I was not around at that point in time.

Mr SCHOLES: I am sorry, can you repeat the question? I was a bit distracted.

The Hon. DAVID CLARKE: Was the community consulted before the staff were advised on 29 June 2012 of the proposed downsizing?

Mr SCHOLES: No.

The Hon. DAVID CLARKE: When was the community advised?

Mr SCHOLES: They were advised directly after the staff meeting on 29 June. Assistant Commissioner Col Callagher had facilitated phone contact with Mayor Ritchie, from memory, and a number of members of the community consultative committee via phone. That was on the day the announcement was made.

The Hon. DAVID CLARKE: Were offenders given an opportunity to nominate a preferred placement?

Mr SCHOLES: Actually, offenders were asked—I think they filled out a form but definitely nominated a preferred placement, yes.

The Hon. DAVID CLARKE: Were Indigenous offenders in particular consulted in relation to their preferred placements and options?

Mr SCHOLES: All offenders were, Indigenous and others.

The Hon. DAVID CLARKE: What operational matters were considered prior to the decision to downsize Grafton Correctional Centre? Would you like to expand in that area?

Mr SCHOLES: Certainly. One of the key components, obviously, with us trying to create a cost effective and efficient correctional system is the cost per inmate per day. Facility maintenance concerns and facility conditions, as mentioned by the commissioner, are another two key impacts, particularly with a facility that is 119 years old and very much part of the older stock that we have in the system. One of the key components is making sure, in terms of inmate placement logistics, was that we knew that with Kempsey opening in 2004, we had a much greater opportunity to be able to manage, particularly, Indigenous offenders in the Kempsey. The majority of Indigenous offenders are actually located at the Kempsey Correctional Centre.

We needed to make sure that we had enough beds in the northern part of the region to support the Tweed and the other courts in the north. That was taken into account when assessing whether or not Grafton or any other facility was an appropriate facility—statewide movement of inmates and can we service the courts. As regards industrial and staffing impact, that was a component. Certainly we were aware that, with a regional centre being considered, it was a matter that would need further consideration: hence, it was a matter for Government. As regards the community impact, we also knew that was going to be somewhat of an issue. But as it is with any jail, if I may say so, and it does not matter which, there are two undeniable facts in Corrections: opening a jail in any location is difficult; closing one is even more difficult.

We certainly appreciate when we take these decisions that there is an impact on people's lives and on their families. In trying to bring it in line with the budget and in trying to work out logistically what is the most cost-effective way for Corrective Services New South Wales to move forward, it is and does, I guess, have to be tempered with the other side of the argument, which is: How far do we go in terms of ensuring that efficiency when it impacts on communities? That is a Government decision, really.

The Hon. DAVID CLARKE: I guess that is always the situation.

Mr SCHOLES: Over successive situations, over successive closures, it has always been the same.

The Hon. DAVID CLARKE: Thank you.

Mr SEVERIN: I will add a couple of details to the comments Mr Scholes has made. He referred to the cost per inmate per day. I referred to the inherent inefficiencies as a result of the building fabric at Grafton. Just to back that up with some numbers, they relate to the last operating year to the close of the financial year where Grafton operated. The cost per inmate per day at Grafton was just shy of \$200. The cost per inmate per day at the Mid North Coast facility in Kempsey is \$145. That is not because we have got different agreements in place. It is literally driven by the building infrastructure requiring a much higher level of staffing to manage it safely than we can achieve in a modern facility of the type of facility that we have in Kempsey. The staff ratio at Grafton was one staff member per 2.7 prisoners whereas the staff ratio at Kempsey is one staff member for 4.25 statistically averaged prisoners. So it is far more efficient.

It is contemporarily a much more conducive facility. It allows far better visits. It allows better communication of prisoners with their families. In relation to Aboriginal prisoners, there was a high percentage of Indigenous prisoners at Grafton, as I understand it. Not only were they individually asked what their transfer preference would be, in keeping with the principles of the Royal Commission of Inquiry into Aboriginal Deaths in Custody recommendation, which is to place Aboriginal prisoners as close to their place of origin as possible, but the department at the time also analysed that indeed there were a lot more inmates at the Grafton facility whose origin was Kempsey, or the Kempsey region, than we had in that region. So by moving a lot of those Aboriginal inmates to Kempsey, we believe we actually improved the outcomes in many ways.

Again I say that as a general comment. There would no doubt be some individual cases where that could not be achieved. Unfortunately it will always be very difficult to achieve an outcome where we place everybody as close to their place of origin as possible. Often there are other reasons that just do not allow us to do that.

The Hon. DAVID CLARKE: In summary, in your view, there was a very strong and valid case for the changes to Grafton?

Mr SEVERIN: Yes.

The Hon. SCOT MacDONALD: Can I ask you a couple of questions based on page eight? I just found very instructive the paragraph that states:

Overall the benefits delivered by new facilities include: lower recurrent maintenance costs, improved officer safety ...

I appreciate that a lot of things, such as maintenance costs and whatnot, can be quantified. Can you give me a little bit of background on some of those things that you could not quantify, such as, "... environments more conducive to rehabilitation, improved inmate employment"? What are the rationales?

Mr SEVERIN: I will make some general comments and ask Mr Scholes to go into it in more detail. I have not been to Grafton. I will be there when the Committee convenes its on-site meeting.

CHAIR: Thank you.

Mr SEVERIN: I can only speak from what I understand and of course my knowledge of old prison facilities, but it is not firsthand knowledge. My understanding is that the Grafton facility was never constructed as a facility which has a dedicated programs space. That was retrofitted. Prisons in the nineteenth century were not built with rehabilitative focuses in mind whereas of course the modern facilities are. Again, without having physically been there, my understanding is that the access to programs, by virtue of the location from the accommodation areas to where we were conducting programs, was quite difficult. There was no integrated design concept.

Heritage listing has some inherent challenges for prison administrators because you can literally not touch the asset in a big way. You cannot sort of knock things over and replace them with something else. The visits area, as I understand it, was not conducive at all for positive family interaction. While we did have a minimum security area, which we are still looking revitalising in the context of providing some community work, et cetera—and that was a commitment made at the time which we had to implement—overall the facility clearly did not provide the same opportunities for inmates to actively engage in rehabilitation as modern facilities would do. I cannot comment on industries, but I have no doubt my colleague can.

Mr SCHOLES: I fully concur with the commissioner's statements. When you take your walk through Grafton and have a look at the facility, I think it will become evident that it is heritage and certainly very archaic when compared against our modern prison stock. As far as inmates go, and I have worked with them for over 22 years, the reality of it is that if you put them in a better and modern environment for industries and for education, it is conducive to behavioural change. You do not achieve the same when you go into one of those old traditional jails.

It is the same with any of us. If we are riding on an old train, you tend to go, "Oh, I don't want to be sort of on here", but you are comfortable in a modern facility. We cannot expect inmates to achieve their best, in terms of reducing reoffending and in terms of us chasing the State Plan, if we do not give them the proper facilities and access to services and programs that are going to help them to get there. On top of that, the industries component, certainly at Mid North Coast, is modern and they do trade training there. It is probably the key factor that gives them the ability to get a job on the outside along with other life skills. Over the years as time goes on, it will much more clearly indicate—

The Hon. SCOT MacDONALD: It will be better for everyone.

Mr SCHOLES: Absolutely.

The Hon. SCOT MacDONALD: I read in your submission that between 1995-96 and 2009-10, which roughly coincides with the previous Government, there was a significant increase in the prison population. They are your words, not mine. This question gets back to both your comments. There was a big increase in the prison population over that 15 or 16 years. What were the rates of recidivism? Did they change the percentage? Were they better, or worse?

Mr SCHOLES: I find this a very interesting point, particularly if you look at the Report on Government Services [ROGS] and the accounting between the various State and various reports on what is and what is not good recidivism. It is a matter that really needs to be cleaned up, particularly if we are going to benchmark across the country, which is where I understand we are going. The days of old, when the prison numbers went up and we were in a bit of a cycle at the time, effectively the introduction of truth in sentencing legislation was the primary driver. However, having said that, that continued over successive years and it has not been until, from my history in the department, the last 12 months or two years that we have actually seen movement in terms of bail laws and other matters that are going to impact very much on reducing reoffending.

The numbers continued to grow because there was a view I think that we needed to put these people inside. Nowadays we are moving more and more in every jurisdiction—and internationally it is the same—to community-based orders. We are moving, particularly with technology, to much stronger monitoring in the community, which provides the judiciary with a degree of confidence to give more people community orders. That is certainly the way to go because the last thing we want to do is put people inside and then have to take them and readjust them to going outside. It is an easier concept to have them out and be able to put in place management regimes to assist. I think recidivism at the moment is on its way down and I think certainly the community programs are assisting greatly.

The Hon. SCOT MacDONALD: That is helped by the improved premises?

Mr SCHOLES: Absolutely, and in my mind, if you go into an old jail and talk to inmates, the older offenders will say, "I like old jail, I like the old style." What we basically have is large numbers of people that are young people, drug affected, mental health issues, and we need to not put them in environments that are not conducive to their conditions and in fact can exacerbate them. The new facilities help us to, and this is my word, "normalise" what is a bad situation for them—they are incarcerated—and it is incumbent upon us to do whatever we can to help them go back out and not reoffend.

Mr SEVERIN: If I could make one quick comment, while we are looking at prisoner numbers increasing, one of the critical measures is the incarceration rate per 100,000 people of population because if you have a huge population growth obviously your incarceration rate or number of prisoners is likely to increase. Relatively speaking, just to look at the period that you quoted, and it is contained on page 32 of our submission, in 1995-96 the incarceration rate per 100,000 of population in New South Wales was 133. That climbed in 2009-10 to 186 and it has been on the downhill since then, so we are currently, in 2011-12, at 173. It is the first time that the incarceration rate per 100,000 citizens has started to come down.

The Hon. MELINDA PAVEY: In the many submissions from the community and even from the local member there is talk of a culture that existed at Grafton jail. We have heard a lot of evidence that the age of the jail very much led to the high costs of running the facility. Grafton was caught in the vortex of a fall of 1,000 in the prison population and with the age of the facility the costs per day were very expensive. Has there been any analysis in terms of industrial relations and the cost of staffing as well as the age of the building, in terms of how overtime, workers compensation or other issues affected the cost of running the jail, because of the culture that is spoken about in many of the submissions?

Mr SEVERIN: I do not have detailed information on that. I am happy to take it on notice and provide you with subsequent information. I would assume that those figures would have been analysed, particularly workers compensation claims and other matters that weigh in. I personally really have only had the opportunity to assess the rationale from an operational perspective because obviously I started here when whatever the issues might have been that led to it in the context of your question were finished, and other than trying to get anecdotal stories—and of course there are many stories around any prison—I could not really objectively validate that. I am happy to take on notice your question in relation to what other factors might have been taken into consideration and come back to the Committee with that information in due course.

The Hon. MELINDA PAVEY: I think Mr Scholes might have something to add.

Mr SCHOLES: Given that the assessments were done on the objective criteria we spoke about previously, I can categorically say in terms of political views, community views, staff management related views and staff views locally, the decision was purely an objective decision. If you go to the older jails, you look at sick leave, workers compensation and the age of the staff at the location, they tend to drive where some of that goes, totally unrelated to the decision in terms of what facilities would be best to either downsize or close to meet the organisational needs, particularly in terms of the logistics and the demographics.

CHAIR: I see on page 8 of your submission that it takes up to five years to plan for a new correctional centre and deliver it, yet it seems that it took only months to close one. Is there a plan or strategy for how you close a prison? Earlier Mr Scholes mentioned that it is pretty hard to build one, and it is pretty hard to close one, but is there some sort of plan for how you can close a prison?

Mr SCHOLES: In terms of planning for closure, we followed the Premier's Department guidelines as far as change management plans. In terms of the decision process, as far as the operations side, it is based on

those matters we previously discussed. Does the facility need to sit where it is in terms of inmate logistics? Does it perform a useful purpose? We have some regional facilities, Brewarrina for example, which is an Aboriginal based type of program. You would take that into account. South Coast is primarily remand, so you would take that into account for the catchment. It really depends on where the facility is, what function it performs, the cost of running it in terms of the department and the consequences if that facility—

CHAIR: I understand all of that, but surely there is a template for how to work through and get everyone on board, like what you do when you start one. I mean the way that you did the South Coast Correctional Centre was brilliant. It was top line. The community would buy in, even though there was a little bit of angst about the whole thing. It was brilliant. Why can we not close correctional centres the same way? That is my point. I will hand over to Mr Borsak.

The Hon. ROBERT BORSAK: I want to focus on cost per inmate day. For example, you talked about Grafton being \$200 a day on average and Kempsey being \$145, old facility and new facility. What level of absorption costing is going on in that? Is that just direct costs? Does anyone know that? Does that take into account head office costs, or a proportion thereof, and that sort of thing?

Mr SCHOLES: Yes, it does. The only thing it excludes is depreciation.

The Hon. ROBERT BORSAK: So there is some sort of allocation for Sydney head office costs or local area and so on?

Mr SCHOLES: Yes, corporation overheads.

The Hon. ROBERT BORSAK: So it is basically full absorption costing on a cash basis?

Mr SEVERIN: That is my understanding.

The Hon. ROBERT BORSAK: What sort of savings impact has this closure had on the overall average cost per inmate day or per bed? You are getting rid of Grafton and you have Kempsey. Does that result in an averaged decrease in cost right across the whole network, or is there something else happening that we do not know about?

Mr SEVERIN: We do not have the full year impact yet, so we really cannot answer that at this point in time.

The Hon. ROBERT BORSAK: You must have some projections on it, otherwise you would not be doing it.

Mr SEVERIN: We certainly have projections on numbers, but again, as was mentioned earlier, we are subject to fluctuations, so we have rise and fall in prisoner numbers and we have to respond to that on a regular basis. There is certainly a forecast downstream saving as a result of the downsizing of Grafton. We are in the process of commissioning the Cessnock facility, so there will be additional costs which obviously will impact on actual savings and will absorb those, but of course we are getting benefits out of that commissioning process.

The Hon. ROBERT BORSAK: What is Cessnock's average cost per day? Do you know that off the top of your head?

Mr SCHOLES: About \$129. If I can follow on to answer your question in relation to costs per inmate per day, the globalised view of cost per inmate per day is somewhat difficult because, as the commissioner said, inmates move in and out of facilities and the primary driver for cost per inmate per day for Grafton was that it only held around 260 inmates in total. If you look at Kempsey, it holds 502. One of the important factors with the building of the new correctional centres is that optimised size of between 400 and 600 provides a better cost per inmate per day and allows the program side of it particularly, to make sure you are getting the right number of staff to make sure we have got inmates going through.

The Hon. ROBERT BORSAK: I note in your submission there is an approximate ratio of 45.5 per cent to 54.5 per cent mix of inmates, city to country. Is there any policy surrounding the distribution of inmates, where they are located, or is it just based purely on community need?

Mr SEVERIN: It is based on the needs of the criminal justice system and the demographics and geographical spread in relation to where prisoners come from to us. So, the plan referred to earlier, or the planning process we are going to embark on, will take into consideration all those factors and obviously we will rely heavily on statistics held elsewhere by government to make informed considerations and decisions and put recommendations to government. There is no blueprint that says we have to have a ratio of 60:40 or whatever it might be between country and metropolitan. The demand in metropolitan is much higher than in regional locations. At the same time there is a distinct benefit to have prisoners in regional locations because there is a closer link to community and a closer link to various activities we would not be able to engage in in the metropolitan area because we do not have the space to do that.

The Hon. ROBERT BORSAK: Obviously you have a plan over time to move through and replace older facilities with newer facilities. If you can get that capital expenditure in place you can save your operating costs in the long term. Have you a capital budget for the next four years with that program locked in? If you have, can we get it?

Mr SEVERIN: We have a capital budget but there is no major infrastructure proposal in relation to new prison infrastructure. We would be happy to provide that capital works budget to you, but I would have to take it on notice though. But there is no plan at this point in time to construct a new prison. The last of those prisons that was part of a previous government's decision to construct was the Cessnock expansion. It is quite a sizeable capital works budget which is used for minor works projects—upkeep, maintenance and some internal expansion.

The Hon. ROBERT BORSAK: Going by the general population numbers as they stand now and the number of beds you are showing us, you have about a 5 per cent freeboard, if that is the right way to read it. Is that your preferred level across the whole State? It seems a bit skinny to me with more than 10,500 inmates moving backwards and forwards across this chessboard of prisons. Would something like 10 per cent not be more useful?

Mr KELLY: Yes, my view is 10 per cent would be ideal but population peaks and troughs. Going into November, December is probably one of the highest peaks we reach in the year. Generally in December, January it will drop away and come up to about 10 per cent.

The Hon. ROBERT BORSAK: So you think it will probably drop by another 500-odd beds?

Mr KELLY: I can only speak about areas I am responsible for, but at Long Bay there is a 100-bed wing closed at the moment, mothballed—it can be opened quite quickly—and a wing at Silverwater which is mothballed. Those centres that are closed, those beds are not counted in those numbers.

The Hon. ROBERT BORSAK: Right, seasonality; a bit like running a hotel, I suppose?

Mr KELLY: Not quite.

CHAIR: Gentlemen, thank you for your attendance today. The Committee has resolved that the answers to any questions taken on notice be returned within 21 days. The secretariat will contact you in relation to the questions you have taken on notice, and the Committee has the right to send you some questions through that avenue as well.

Mr SEVERIN: Thank you. There were a couple of minor errors in our submission, which we will clarify when we return the questions on notice. None of those is material to your consideration.

(The witnesses withdrew)

MATTHEW BINDLEY, State Chairman, Prison Officers Vocational Branch, Public Service Association, sworn and examined:

STEWART LACHLAN LITTLE, Senior Industrial Officer, Public Service Association, affirmed and examined:

CHAIR: Do you have an opening statement you would like to present?

Mr LITTLE: No, we do not.

The Hon. MICK VEITCH: Thank you for your submissions. I attended the Grafton Day of Action, the public rally. It was quite moving, the tears, when people told stories of how it impacted on them. In the submissions we see a lot about the impact and how the impact has not been considered. What is your view about the way some of these prison officers, particularly, moved from other facilities to go there? What are your views about the impact on corrections staff?

Mr BINDLEY: I thought they were horrendous. I spent a lot of time up there from when it was announced on 29 June, for the vast majority of six or seven weeks. Over that time what I witnessed was something I have never witnessed before. You mentioned earlier about an officer going from Berrima to Grafton. I spent some time with that officer and witnessed him break down and cry openly in front of his family and the general public. I witnessed too many officers to recall break down and be fearful of not only where their futures lay but what was going to happen to their marriages and what future there was for their children—there were children with severe disabilities and disabilities in general. Even the township was distressed because of the close links with these people. It was something I had never seen. It was just so powerful that everybody who was part of the process was captured to the point where you could not describe it as anything other than devastating across the board.

Mr LITTLE: Certainly the effect on officers has been profound. We have been in the Industrial Commission this week with some of them. You mentioned before the officer who was moved up there late in 2011. There is an officer who is mentioned in the submission who was transferred to Grafton in February 2012 despite the fact that Ron Woodham wrote to all the staff and said the decision to recommend downsizing had been made in November. That gentleman is one of quite a number. He was moved there in February. He had been working at Long Bay. His wife had recently been diagnosed with emphysema and some other medical complaints and to be told a few months later that they were going to downsize the jail had a devastating impact on him. He along with some other officers will have to move. Their house prices have plummeted. Another officer who had his house on the market has just sold it for \$50,000 less than the bank valuation in late 2011. He has to try to buy another house in Kempsey and he will have to borrow more money, if the bank will give it to him. Similarly, another officer has moved to the South Coast. Although the department has said it will do everything to help, when we have gone to them and asked for help they have not really been forthcoming.

The Hon. MICK VEITCH: What sorts of supports are being provided to individuals post the decision? What is the department doing to help employees through this?

Mr LITTLE: The strong impression I have is that if it is something that is obviously in the award they will do it if we ask for it. If it is not mentioned as a clear entitlement they will do their best not to pay it.

The Hon. MICK VEITCH: Are there any counselling services and that sort of thing being provided?

Mr LITTLE: Not that I am aware of. I think they say there is a number you can ring if you are having difficulties and that is the extent of it as far as I know. There are still officers who are struggling. Another officer's wife is about to give birth to their first child. He is in the same boat; he is struggling. He has sold his house for drastically less than what it was worth. He does not even have the bond—he has not bought a new property—to move into rental accommodation. We have asked the department to help and the best they will do is say, "Tell him to take his annual leave."

The Hon. MICK VEITCH: Are you saying the support the Government is providing is not good enough?

Mr LITTLE: No, absolutely not.

The Hon. MICK VEITCH: What sorts of things should the Government be providing?

Mr LITTLE: They certainly should be looking at providing financial assistance for officers who have to move and who have lost tens of thousands of dollars on their property, particularly officers who were moved there after a decision had been made to downsize. I think that is just reprehensible.

The Hon. MICK VEITCH: In relation to the Grafton facility there were a number of public sector jobs that had been identified for relocation to the Grafton area. How many of the corrections staff do you think would be able to transfer their skills sets across to those jobs?

Mr LITTLE: My personal view is I have not known any who have done that. If they are in that vocation—I am not and have not been a prison officer; Mr Bindley is—generally they will go where the work is. They will move. It is unlikely they are going to retrain into another job.

Mr BINDLEY: My opinion is that it would be zero to very little. The problem is that a lot of the officers have either moved or stayed in the location and taken voluntary redundancies and left the occupation altogether. As far as I am aware there have been absolutely no offers or suggestions of alternative employment in government agencies in the area.

The Hon. MICK VEITCH: This decision is much the same as the Cronulla Fisheries exercise. The question that needs to be asked following any of these decisions is how this sort of thing can be done better. It does not matter who is in government. How can it be done better?

Mr LITTLE: When this Government first came to power the previous commissioner came to us and said the prison population had fallen by about 1,000 inmates. I think it had gone from roughly 10,500 to 9,500. There had been a large increase in the number of people serving their sentences in the community through intensive correctional orders, so the budget was shifting towards that area of operation. They came to us and said there was significant budget pressure on them and we worked cooperatively with them. That was during the closure of Berrima, Kirkconnell and Parramatta. On top of that we lost jobs across the board—650 positions. It was very difficult and it has created issues that continue today. We made a decision to try to work with them to the best of our ability and to work cooperatively with them. In comparison, there was no consultation about Grafton. It was a model of how not to do it. The way Grafton was done was very poor.

The Hon. MICK VEITCH: Are you saying the exercise at Grafton was different from the way it was conducted at Kirkconnell, for instance?

Mr LITTLE: Completely different. That process was far greater in scale but at least there was consultation and the union was involved in it and we were able to make sense of it. We were also able to try to redeploy officers. For example, we could get officers at Berrima redeployed to Goulburn and elsewhere. Kirkconnell is in between Lithgow and Bathurst. Parramatta obviously is in the central business district and is a very old jail. Grafton is geographically isolated on the North Coast and you know that those people are going to find it very difficult to get jobs in their community and they are going to have to uplift and move from the community. In our view the way it was done was a disgrace.

The Hon. MICK VEITCH: Do you have any idea how many people took redundancies at Grafton?

Mr LITTLE: I do not have the figures; certainly quite a number did, but I am not sure.

The Hon. MELINDA PAVEY: Ten or 20?

Mr LITTLE: I am not sure.

Mr BINDLEY: It was not a large number.

Mr LITTLE: Most would have moved.

The Hon. MICK VEITCH: The impact on the Grafton community was quite palpable on that day. I have been there a couple of times since then. The impact on families is quite significant when these decisions are made; it is not just the impact on individual employees. What are the support processes for families?

Mr BINDLEY: None. The staff members were told they could ring the employee assistance helpline. To my knowledge the families of the staff members were given nothing—no assistance whatsoever.

The Hon. MICK VEITCH: If an individual takes voluntary redundancy from the public service are they eligible to apply for the jobs in Grafton that were available in Crown lands or wherever under the relocation arrangements?

Mr LITTLE: They are. If they were successful in getting one they would have to pay back the redundancy component of the package, which is 39 weeks, I think. If they got the job they would have to pay back that proportion.

The Hon. MICK VEITCH: The proportion of whatever the period is.

Mr LITTLE: That is right.

The Hon. MICK VEITCH: Were people made aware of that at the time?

Mr LITTLE: Not that I am aware of unless they spoke to us about it. Certainly no-one approached me about it. I am not aware of what the department did about that.

The Hon. MICK VEITCH: Were either of your unions involved in the previous community consultation plans that the department talked about?

Mr BINDLEY: No.

The Hon. MICK VEITCH: What is your view on how those community consultation plans work?

Mr BINDLEY: I know that a number of years ago, and I am talking well over 10 years ago now, they used to have community meetings. I have not heard of them for a long time. I honestly did not know they still existed.

The Hon. MICK VEITCH: Were they minuted meetings or informal? How did they work 10 years ago?

Mr BINDLEY: They were formal meetings where traditionally the general manager would go to a meeting within the community and stakeholders and discuss what was going on, I imagine, primarily within the prison and where it was going. I think it was minuted and a proper meeting but, as I said, I have not heard of those meetings now for at least 10 years.

The Hon. MICK VEITCH: Would a decision about downsizing Grafton or closing Berrima provide a forum for engaging community regarding the adjustments about to take place?

Mr LITTLE: They should do it. They have a board of management in place now. Obviously, we have representatives from the union sitting on that board of management, but it seems to me that that would be the forum where you would want to let local stakeholders know what is happening within the jail because usually those prisons have a fairly big impact on those communities. That is what probably they should be doing, but whether they are is a question better put to Mr Severin.

The Hon. MICK VEITCH: Yes, I wrote that down. What is the best lead-in time for a downsize? Grafton was done very quickly, but if a community were on board for a decision like that, how long should be the community buy-in?

Mr BINDLEY: Firstly, I think you need to give people the opportunity to provide alternatives but, realistically, you probably need at least four to five months for people to adjust, relocate, take into consideration especially family needs—that is, children's education, spouse's employment, everything associated, finding other places to live—and realistically working out whether or not they want to continue within the industry. The way it happened with Grafton was like driving a bulldozer through a tent. That is how quick it was. I am pretty sure everybody has seen the appalling footage of the truck trying to enter the facility on the Sunday morning. I

am not saying either party was right or wrong, but that was something that just should not happen in today's age. That was brought about by the whole events of what had led to that stage.

The Hon. MELINDA PAVEY: This morning we heard evidence from the department that the cost of inmates per head of population compared to others and oversupply, overwhelmingly suggested Grafton jail, being 119 years old, led to many inefficiencies. Kempsey jail opened in 2004. It is a modern facility 2½ or so hours from Grafton. Have either of your or the associations you represent had conversations with government over that period knowing that the older jails create management issues? What discussions with government have you had about modernising the Grafton facility over that time? Were you involved in any of that? Clearly, the decision is a big issue when the 1,000 population had fallen.

Mr BINDLEY: We had conversations with the previous commissioner who actually told us that they were doing a feasibility study into facilitating a new correctional centre in Grafton.

The Hon. MELINDA PAVEY: When was that?

Mr BINDLEY: I could not give you the exact year, but it was 2008-09. After Nowra we were quite clearly told that the Grafton district was the next place where a new facility was going to be built; it was going to be a 600-bed facility and the Grafton Correctional Centre, as we know it now, was going to be closed. In relation to the age of what we now know as the Grafton Correctional Centre, it is not actually what everybody has made it out to be. Whilst it was commissioned in 1894, it has been modernised and is a fairly modern facility using modern technology inside it. Some parts of the jail are actually less than 20 years old, but the irony is that the part the department is still using is the oldest part of the jail. So if we are talking about old versus new, the department is still using the old part. In relation to the cost per inmate per day, the reason that Kempsey is a lot cheaper than the statistics for Grafton is that they simply do not staff Kempsey to the levels that it should be, whereas Grafton was staffed at a better level. We also stated to both the Government and the department that we had the answers to make Grafton cheaper, and considerably cheaper, but we were more or less told bad luck.

Mr LITTLE: Just to add to that, it had not been staffed at its full complement. The custodial side of things had run, I think, with 63 officers, more than 10 per cent short on officers. It ran with about 10 vacancies. Often, particularly with an old jail, you have to fill security posts, which are essential. Of course, in our view, they intentionally let the overtime build up to mount an argument, "Oh well, it's too expensive, we'll have to close it." Certainly that is the impression we got. They never adequately staffed it. Let the costs run up and it becomes inefficient.

The Hon. TREVOR KHAN: Obviously, you were present when Mr Severin and company were here?

Mr BINDLEY: Yes.

The Hon. TREVOR KHAN: I am not talking about the overtime issue but, essentially, they advanced a proposition that the manning levels per prisoner were, let us say, 1½ times what they were at Kempsey. Do you disagree with that proposition?

Mr LITTLE: It fluctuates. I think Grafton, at some stage held up to 350 inmates. At one stage it had female inmates. They removed the female inmates when we did the restructure back in 2011, when we lost jobs across the board. They actually closed what was called the June Baker Centre and moved a lot of female inmates out of there. Obviously, if you are running a jail with 350 inmates and 100 custodial officers, the cost is going to be cheaper. If you reduce the number of inmates considerably and do not staff the facility, the costs will go up per inmate. Like Mr Bindley said with Kempsey, if you shoehorn a lot of inmates into Kempsey, have it full and, similarly, if you are having a lot of lockdowns, which they are at Kempsey at the moment—inmates are spending a considerable amount of time in their cells—you will bring the costs down. It is very difficult because many facilities across New South Wales are very old and that argument would apply to Long Bay, Goulburn, Broken Hill and many jails that are over 100 years old.

The Hon. TREVOR KHAN: Sure. Mr Little, do you accept the proposition that a more modern facility, one built in the last decade for instance, is going to have lower staffing levels than a facility built 100 years ago?

Mr LITTLE: Of course, yes. That is right.

The Hon. TREVOR KHAN: So at least with the thinking of the former commissioner, you would accept the proposition that he could look to, I take it, the older facilities and say their manning levels are high because of, for instance, the architecture of the place? Mr Bindley is shaking his head.

Mr BINDLEY: I actually tend to disagree to a level with what has been said because they are two entirely different functions. Mid North Coast is a working jail where Monday to Friday the inmates go to work, which does not require custodial staff to be near accommodation units to supervise them because they are in the workshops where overseers are supervising them. So that brings down the component of the staff required, whereas Grafton did not have that ability. The inmates actually stayed in the area. They were medium and maximum security inmates, which required staff to supervise them. Realistically, it depends on the jail's purpose and functions that determines the intensiveness of the staff and the saturation levels. It depends on what the jail's purpose is and what the functions of the jail are that determines the intensiveness of the staff and the saturation levels.

The Hon. TREVOR KHAN: You are saying it is a more complex problem?

Mr BINDLEY: Yes, it is. It depends what the centre is built for. I reiterate that mid North Coast or Kempsey was built as a working jail where staff do not occupy the wings Monday to Friday because inmates are not in there, whereas in Grafton they are and it requires the staff.

The Hon. TREVOR KHAN: Would you agree with me that a facility such as Grafton was built to punish prisoners, whereas a facility such as Kempsey is built with a broader range of intentions, including rehabilitation, education, and programs relating to drugs and alcohol, which essentially are designed as part of the facility from day one?

Mr BINDLEY: I disagree with that as well.

The Hon. TREVOR KHAN: You disagree with that?

Mr BINDLEY: Yes. It is something that the teachers and the offenders services and program staff at Grafton would disagree with as well.

The Hon. TREVOR KHAN: You need to listen to the question, which dealt with the intention of the design of the facility. If you go back to when Grafton was built, it was not built with a range of those aims in mind?

Mr BINDLEY: I have spoken to some inmates who prefer to be at locations like that compared to the new locations. The inmates say the cells are hotter at night-time and it is harder to stay cool at the new locations, whereas places like Grafton and Long Bay are cooler. If you are talking from a pleasing viewpoint, I agree with you; Kempsey does look prettier.

The Hon. TREVOR KHAN: I do not think I advanced that proposition.

Mr BINDLEY: I do not understand exactly what you mean. The same service is given in each location.

The Hon. DAVID CLARKE: Following the questions that were just asked, as a whole, would you agree with the general proposition that newer facilities tend to be better than facilities that are 100 years old?

Mr BINDLEY: Yes.

The Hon. DAVID CLARKE: Lots of reasons have been put forward today for the changes to Grafton, such as maintenance problems and modification difficulties. There also are demographic changes such as the drop in prison populations. On the whole would you agree that there is substance to the reasons why this has happened? You may think that the issue of dealing with your members has not been handled properly, but I am getting to the core reasons for what happened there.

Mr BINDLEY: I agree that the department painted a pretty picture as to why and how they could close Grafton.

The Hon. DAVID CLARKE: Would you agree with those reasons?

Mr BINDLEY: No.

The Hon. DAVID CLARKE: You do not agree with those reasons at all?

Mr BINDLEY: No.

The Hon. DAVID CLARKE: The previous commissioner, this commissioner and the experts say that modern facilities will be better for rehabilitation and so forth for inmates. Is the proposition that you are putting that you believe that is not an improvement on the facilities?

Mr BINDLEY: No, the proposition that I am putting is that there were better alternatives that could have been taken other than closing Grafton.

The Hon. DAVID CLARKE: A lot of your members up there have had employee-related work claims due to occupational health and safety and WorkCover issues. Do you not think that a lot of those claims may be due to the fact that they are working in this environment—an old jail with antiquated facilities? Could that be part of the reason why there have been so many such claims coming from Grafton jail?

Mr BINDLEY: I could not comment on them without knowing the nature of the claim.

The Hon. DAVID CLARKE: There are a lot of claims that come from Grafton jail.

Mr BINDLEY: I am unaware of that.

The Hon. DAVID CLARKE: You are not aware that there are a high number of claims that come from Grafton compared to other jails?

Mr BINDLEY: No, I am not.

The Hon. DAVID CLARKE: Would that surprise you if it were the case?

Mr BINDLEY: Yes, it would.

The Hon. DAVID CLARKE: If it were the case, would you agree that it could have something to do with the facilities in which they work? These premises go back, in part, at least 119 years?

Mr BINDLEY: I think it would depend on the nature of the injury. There also are a number of different factors that may lead to the injury and what type of injury it is, whether or not it is a physical injury or a mental injury or officers being stressed.

Mr LITTLE: I also think that when you attend Grafton and look at the jail you will be surprised when you go in there and see that once you get past the outside facade much of the facility is very modern. It is not dissimilar to some of those newer jails built in 2005-06.

The Hon. DAVID CLARKE: But you agree there are a lot of restrictions in place because of the heritage aspect that would make modification and improvement better?

Mr LITTLE: No different to Long Bay, no different to Goulburn, no different to Broken Hill or any number of other facilities around the State.

The Hon. DAVID CLARKE: Do you disagree that the demographics have changed, that the catchment area for the jail has changed, that there are other facilities up there like Kempsey and so forth that are better able to fulfil—

Mr LITTLE: I am probably not the best qualified to answer that. You would need to speak to someone in the Department of Planning or something. We were told in 2008-09 that they were looking at building another modern facility up there and that they needed to have a modern facility in that catchment. That is what we were told, but we do not know.

The Hon. DAVID CLARKE: The proposition I am putting to you could well be true?

Mr LITTLE: It may be.

CHAIR: Gentlemen, I particularly note in your submission that you have grave concerns about the safety of officers in respect of numbering. You mentioned some of the statistics, for example, the decreased number of staff used rather than the usual numbers. Do you want to comment on your concerns relating to the safety of staff when downsizing occurs during the management stage?

Mr LITTLE: There have been issues with adequately staffing the facility for quite some time.

CHAIR: It is not because of the closure or downsizing?

Mr LITTLE: We do not know because we were not informed until June 2012, but we were in and out of the commission on safety issues on numerous occasions. The members would complain that there were not enough bobbies on the ground, as they say, to run the jail safely, and that always concerns us. Our number one concern is the safety of our members. There are also issues of general safety within the facility. As we said in the submission, it was running short for a considerable amount of time.

CHAIR: Can you quickly articulate how the assessment is worked out to establish how many officers are needed per system or section?

Mr LITTLE: There is a management plan in each facility. The management plan will state the number of inmates and their classification. It will then state how many custodial officers there are and their rank. It will generally have a post structure, which will set out where security posts are within the facility. Certain posts are 24/7; obviously jails run around the clock. It basically sets out how each facility is managed. Obviously they are the tool that you use when you are negotiating staffing numbers. The agreed levels have not been met for a considerable amount of time. On top of that, there have been a whole range of training issues at Grafton that we have had many difficulties with. We could not understand it. It disappointed us greatly when we then found out that they were planning in November 2011 to shut it.

CHAIR: Do you think it was that or did it relate to managing a budget and that training was not given the highest priority?

Mr LITTLE: I think it was mismanaged.

CHAIR: We spoke about Kirkconnell. You were talking about how that was managed well, given the fact that you were brought in. You say in the submission that you made that you had no opportunity to do so in relation to Grafton. What was different? You have said that you would probably need a lead-in to a closure of four to five months. How does one manage a closure effectively with all stakeholders?

Mr LITTLE: It was not just Kirkconnell, Berrima and Parramatta, every facility across the State lost jobs. They had to redefine management plans and renegotiate. The first priority is safety on the ground. There is no room for fat because you know the budget is what it is. We were told clearly that the Government was looking at privatising 11 facilities, which greatly concerned us. There was a process where all of our delegates from across the State were brought to Sydney and attended a meeting at Brush Farm. There was a process of consultation on how job losses would be managed at every facility and there was a process of consultation in respect of the three facilities that were identified for closure. There was a period of time where obviously those communities were consulted, officers were consulted and we looked at redeployment and so on. That did not happen with Grafton.

CHAIR: Does your association have a template as to how such a difficult process could be pursued?

Mr LITTLE: I am not sure there is a template but we would always say that consultation is necessary. Normal industrial practice is you consult and you talk about it. What is the effect of it? The length of time that you need to consult depends on the type of change that they are putting forward. We had major change but we had time to deal with that. As Matt said before, we had an opportunity to suggest how to do it. They were practical suggestions as to how to make things run better and cheaper. It is something we have done over many

years. That process did not happen with Grafton. There was no opportunity to contribute, the decision was made—bang.

CHAIR: It does not seem to be the failure of just one government. It is a long process and there will be issues when you are closing or down-sizing a system. Is there a critical pathway or checklist that the Public Service Association would recommend for these situations? The Committee has not yet formed its recommendations and what it does not want to do is repeat mistakes of the past. As Mr Bindley said, if it is not managed in an appropriate way the lives of a lot of kids can become dysfunctional due to the disruption these decisions cause. Mr Bindley, you referred to a time in 2006 when you were told something about a new jail in Grafton.

Mr BINDLEY: It was 2008.

CHAIR: Would you reiterate what you said in terms of who told you?

Mr BINDLEY: It was the commissioner. I cannot remember who else was there. I know it was said on more than one occasion that they were doing a study as to building a new jail in Grafton and that would be the next jail. It would be in our best interests to have the jail there. They were looking at land and where they were going to do it. We were told it would be privately built but nobody had made a decision as to whether it would be a privately run jail or publicly run jail. That is my best recollection of the conversations.

Mr LITTLE: It was in the documentation provided to us in late 2008 when the previous Government was looking at Parklea and other reforms. It was stated in that documentation that they were looking at it and treasury was looking at it.

CHAIR: Do you have that document?

Mr LITTLE: Somewhere.

CHAIR: Would you table that document?

Mr LITTLE: Yes.

CHAIR: The feedback from the people in Grafton is that if this has to happen what can be done to generate jobs there. In 2004 there was an increase of 500 prisoners and it took five years to plan and get a correctional centre running. This is critical information in terms of long-term thinking.

The Hon. AMANDA FAZIO: From your submission and through the media coverage of the closure we have a pretty good idea of the impact on the staff and families of the Grafton and Kirkconnell correctional centres. The one thing I wanted to pursue, given the emphasis on work safety for correctional officers, is the dislocation between the prisoners and families after being moved from Grafton and Kirkconnell to other facilities. It is my understanding if prisoners have regular contact with their families it means that they are more settled and less likely to play-up or cause problems in the centre they are at. Because there has been this dislocation between prisoners and families has there been any consequential acting out at the centres they have been sent to that has made the management of those prisoners more difficult?

Mr BINDLEY: I do not know the answer to that question. Family are an integral part of helping us manage inmates on most occasions—I will not say all occasions because sometimes families can make it worse. Generally they calm the inmates down, relax them a little bit and make them easier to deal with. I do not know the answer as to whether there have been any outbursts.

The Hon. AMANDA FAZIO: When the prisoners were transferred from Grafton was there any consultation with the families of those prisoners to arrange transport options? I know at Kirkconnell there was not and the department is now saying they are prepared to provide that.

Mr BINDLEY: No, there wasn't. I spoke to a lot of the families and many of them did not know where the inmates were going. That is what we were being told when we were on the picket line with them. Not only did they not know when they were going they did not know where they were going or how they were going to get there. Some of those inmates were long-term inmates at Grafton and their wives and partners had moved to

the area, gained employment and put their children in school. They were just as much affected as the staff in some instances.

Mr LITTLE: The lady that spoke at the first rally up there had bought a business in Grafton. Her husband was a long-term inmate at Grafton, and had a while to go. She had a business there and now she is going to have to sell that business and once she knows where her husband is going she will uproot her kids and move.

CHAIR: Thank you for your time and testimony. The Committee has resolved that any answers to questions taken on notice must be returned within 21 days. The secretariat will contact you in relation to the questions and the Committee has the right to put more questions on notice in that situation.

(The witnesses withdrew)

CHRISTOPHER GULAPTIS, before the Committee:

CHAIR: Good morning, Mr Gulaptis. Welcome to the inquiry and thank you for your time. You are not required to take an oath because you have already done so as a member of Parliament. Would you like to make an opening statement?

Mr CHRISTOPHER GULAPTIS: As the member for Clarence I am pleased that the Legislative Council has established a select committee inquiry to examine the closure or downsizing of Corrective Services NSW facilities. I believe the evidence that I will give today will assist the Committee. It relates to the communication between the Minister for Justice and me in the lead-up to the decision being announced about the restructure of Grafton jail and is supplementary to my written submission to the Committee.

On 16 April this year at 4.00 p.m., I met with prison officers and union officials at the Grafton jail. The meeting was called at short notice by union officials Stewart Little and Matt Bindley and they asked if I could be present. At the meeting they informed me that they were having problems with the management style of the current manager. They indicated that they had been told in late 2011 that the management problems would be resolved because there would be a restructure. They were led to believe that the manager would be moved on and because that had not happened they were becoming increasingly concerned. In addition, no-one from the department was keeping them informed about the restructure. They wanted me to contact the Minister and to find out why the management change had not occurred.

On 2 May, I met with the Attorney General and Minister for Justice and his Chief of Staff, Damien Tudehope in his parliamentary office. The meeting was at my instigation because as a new member I wanted to discuss relevant matters in my electorate and, in particular, to raise issues that were put to me by the staff of the jail and union officials. I was advised that a restructure at Grafton was proposed and that there would be some job losses. It was suggested that up to 30 jobs could be lost, but that was not finalised and the restructure was being handled by the commissioner. When I questioned why the restructure was necessary, I was advised it was being done for a number of reasons: inmate numbers across the State were declining; a new jail was recently completed at Cessnock; Grafton was an old jail and very expensive to run; and a report into Grafton jail by Mal Brammer identified serious operational issues between staff and management. I was given a copy of the Minister's briefing and the report to read.

When I inquired when more details about the restructure would be made available, I was advised that it was being handled by the commissioner and that that would be at his discretion. The meeting lasted only about 15 minutes, and I recall that it was interrupted by a division. I left feeling that the restructure was still a work in progress and that there would be time for me to have input when a firm draft proposal was put forward. To the best of my recollection, during the last sitting week before the winter break I phoned the Attorney General and Minister for Justice to make an appointment to discuss whether there was any update on the restructure proposal. I wanted the meeting because I had received a phone call from the union officials asking whether I had received any advice from the Minister.

Members may recall that was the week during which the workers compensation legislation was being debated and Parliament was very hectic and emotions were running high. Everyone was focused on the debate and busy trying to tie up loose ends before the break. On Wednesday 20 June, I was asked to go to the Minister's office. This was my second meeting with the Minister and his chief of staff. I was advised that the restructure would be somewhat more severe than initially suggested and that Grafton jail would be downsized to a remand centre. When I asked what that meant with regard to job losses I was told that it would mean the loss of about 90 jobs at the facility. I asked how many jobs would remain and I was advised that there would be about 30 jobs. I was shell-shocked at the news and wanted to know how we could go from 30 job losses to 90 job losses and what recourse was available to change this drastic proposal.

I was advised by the Minister that each department was tasked to find savings and that this was the proposal put forward by the commissioner, who was in the best position to make the call. The Minister said that he was sorry and explained the reasons given for the downsizing of the jail—the reduced numbers, the new jail at Cessnock and so on. I asked what the next steps would be and he said that the commissioner would be making the announcement at his discretion. It seemed clear to me that as far as the Minister was concerned it was final, that there was no recourse and that there would be no further consultation. I left the Minister's office feeling gutted and trying to collect my thoughts. The next day I sent him the following email—which I will table:

Greg

Since our discussion regarding the restructure of Grafton Correctional Centre I have become increasingly concerned at the impact the job losses will have on Grafton and surrounds. During my by-election the abattoir closed and that resulted in about 270 job losses. A year earlier the call centre closed and that resulted in 100 job losses. Any staff losses at this stage will have a significant impact on the local economy as well as depleting any business confidence we have left.

I would hope that there may be a further opportunity to review the restructure to minimise the impact at this stage, especially given there will be a new Commissioner appointed who may have a different view of the role of the Grafton Correctional facility.

I can only stress that any further job losses in Grafton will have severe ramifications unless there is a program of business investment and job creation as a replacement.

Regards
Chris.

Document tabled.

Members may recall that Parliament sat until about 3.30 a.m. on Friday and everybody left for the break. I had to go to Bowral for The Nationals conference that weekend. On Monday 25 June I received a return email from the Minister's office. I table that email.

Document tabled.

The email, which is from Damien Tudehope, states:

Chris, thanks for your email to the AG. He understands the concerns which you have.

It is however necessary for the downsizing to proceed for the following reasons:

1. There is a reduction in the number of prisoners in custody. The Government has a new facility at Cessnock which has space and is a much better facility for the accommodation and management of offenders. We would be recalcitrant in not using that facility to the maximum of its potential.
2. I have provided to you a synopsis of the Brammer Report. The poisonous culture and the Union support for it makes it important to break up the ruling clique.

The Attorney has asked for the issue of other potential jobs for Grafton to be investigated.

Minister Roberts was in my electorate over the next two days. When I discussed the matter with him he was stunned to hear about the magnitude of the job cuts and that it had not gone to Cabinet. On Wednesday 27 June, I was contacted by the local newspaper advising that it had heard that the jail would be closed. I emailed the Minister informing him of my conversation with the newspaper and requested that he look at other options before proceeding with the downsizing. This is the final email that I would like to read and table.

Dear Greg

I've just been contacted by the local newspaper, *The Daily Examiner*, regarding the Grafton Correctional Centre. The paper was asking me if the gaol was going to close. They seem to have some info from Corrective Services that the Woodham will be making an announcement on Monday. I've advised them that the gaol won't close but there will be a restructure that will cause job losses. I said I was not happy about it and was working with the Minister to minimise the impact.

He asked me why the restructure was taking place and I responded by saying there were a number of reasons but I didn't want to elaborate until I'd worked through them with the Minister. I said I wouldn't comment anymore at this time.

Naturally I was hoping that the job cuts would be restricted to the earlier number we discussed i.e. 30 as opposed to 90. Job losses of 90 staff equates to 0.5% of Grafton's population and putting this into perspective that would be 21,000 people in Sydney. It's a bit hit on the local area given past job losses at the abattoir and the Telstra Call Centre.

I would urge that every measure be taken to ensure that there are no other options available before the announcement is made. It will be devastating to Grafton and its business community.

Regards – Chris Gulaptis

Document tabled.

I did not get a reply to that email. I phoned the Minister's office a day or so later and was advised that my best option was to let the department talk to the media. The announcement was made by the commissioner on Friday 29 June. That is where we are up to.

The Hon. MICK VEITCH: Mr Gulaptis, thank you for your opening statement and for your submission. Earlier today when the people from Corrective Services NSW were here I asked them a series of questions around the way they involve local members of Parliament in decisions about adjustments of their facilities. Clearly, your experience is not a good one. Would that be a fair statement?

Mr CHRISTOPHER GULAPTIS: I think that is pretty evident from the evidence that I have given.

The Hon. MICK VEITCH: I was at the rally, and you would have to say the stories told to the rally about the impact on the Grafton community were very telling. Is that a fair statement?

Mr CHRISTOPHER GULAPTIS: That is correct.

The Hon. MICK VEITCH: What sort of involvement has your office had with the community since the decision was made? Have people been contacting your office about the impact on them and their personal circumstances?

Mr CHRISTOPHER GULAPTIS: Some people have, yes. I do not know the exact number, but people have contacted the office.

The Hon. MICK VEITCH: I am not after the exact numbers; but you are feeling those concerns. These decisions have been made. What are better ways of involving the local member of Parliament in those decisions?

Mr CHRISTOPHER GULAPTIS: On a decision of the magnitude of Grafton, I think in the first instance a rural communities impact statement needs to be made, and I believe that a decision like that should have gone through Cabinet. I believe it warranted the preparation of a rural communities impact statement. Going through Cabinet would then enable all of the Ministers to become involved and then enabled me as a member of Parliament to have some involvement through that process. As I said in my written submission, I felt that I was left completely out of the decision-making process.

The Hon. MICK VEITCH: What more as a local member of Parliament do you think you could have done?

Mr CHRISTOPHER GULAPTIS: That is a good question; and I ask myself that on a daily basis. The circumstances that surrounded the decision, being in the last sitting week before the winter break, meant that there was difficult access to Ministers because everyone was busy with the workers compensation legislation and trying to tie up loose ends. The short notice—which was literally a week or 10 days—left very little time for action to be taken. As I said, that is a good question, and I would like to know the answer to that myself, because I certainly would have pursued it if I had seen it.

The Hon. MICK VEITCH: It would appear from testimony the Committee heard this morning that the process for the downsizing of Grafton was different from that for Kirkconnell, Berrima and Parramatta. Why do you think the Grafton exercise was different?

Mr CHRISTOPHER GULAPTIS: I cannot answer that. I can only speculate; I cannot answer that with any authority.

The Hon. MICK VEITCH: Our terms of reference include public sector jobs that are being moved from the Chair's area up to your area.

Mr CHRISTOPHER GULAPTIS: Thank you, Chair.

The Hon. MICK VEITCH: Concerns are being conveyed to me that some of the jobs transferred up there will not be suitable to the skill sets of corrections staff; so that other people will get the jobs being moved up there but people from corrections will not get them. There is concern about corrections facility employees and just what it all means for them.

Mr CHRISTOPHER GULAPTIS: I certainly believe that staff from corrections facilities should have first opportunity at applying for those particular jobs. My understanding is that the 45 Crown lands jobs have been advertised. A lot of them are clerical and administrative jobs, so they do not require a specific skill set, and I believe anybody who has experience of working in the public service would certainly have an advantage on anybody who does not because they understand how the public service works. So if any of those members of Corrective Services had an opportunity to apply, I believe their previous experience in the public sector would give them some advantage because, as I said, most of those positions, as I understand, were clerical and administrative.

The Hon. AMANDA FAZIO: Mr Gulaptis, do you feel that you have been victimised in any way by your parliamentary colleagues for taking such a strong stand for the people of Grafton and for the retention of the Grafton correctional facility?

Mr CHRISTOPHER GULAPTIS: I do not feel victimised. This was very traumatic and stressful not just for me; this was very traumatic and stressful for the staff at the correctional services facility, for the inmates and their families and for the Grafton community. I think we are all a little bit shell-shocked. I certainly have not singled myself out for a shoulder to cry on. I think we all need that in Grafton at the moment.

CHAIR: Point 2 of your submission basically says that there was no real impact study, and you say that to the best of your knowledge there was no real community impact statement prepared even though the former State Labor Government made this a policy in 1996 and you say it is a policy supported by the Coalition Government. Have you seen any evidence of the existence of this policy?

Mr CHRISTOPHER GULAPTIS: I was doing research and I saw it in a paper of the former Government department. I cannot recall, to be honest, Chair, what that particular matter was about. But that is essentially where I got the information from, and I saw that it was in existence from that period. Certainly that particular policy on the preparation of rural impact statements is something that we as Nationals would promote because of the impact that it has on rural communities. So I cannot be more specific, but I can certainly provide the Committee with details if you require them.

CHAIR: Regarding the role that these centres play in the economies of communities, I note that the South Coast correctional centre has a \$150 million bill, probably on the back of the global financial crisis; it has a payroll of about \$10 million per year. That is a lot of economic stimulus in the community. Can you break down the statistics of what those 109 jobs and the total facility bring to the Grafton economy?

Mr CHRISTOPHER GULAPTIS: To be quite honest, I do not think those numbers have been crunched. The 80 jobs—I think the number was about 80 jobs at the end of the day—are fairly high-paying jobs in a regional area; we are talking in the vicinity of \$80,000 to \$100,000 per annum. In an area like ours, the Clarence electorate, of low wages, these are fairly high wages, and when you have that level of wages taken out of the local economy, and when you have contractors not being able to work in the gaol, the flow-on effect is really considerable.

My discussions with the chamber and with people in business in Grafton indicated that they had two really flat months in July and August which they attributed to the jail. Whether it was the jail that caused it or whether it was the whole Australian economy which is in a bit of a slump at the moment, they noticed it on their figures. They attributed it to the jail and it has had a significant psychological impact. Over time Grafton has had a number of closures of large companies which are well known in the community—from Tooheys Brewery to Peter's ice cream to the match factory and so on down the line to the jail. Each year it has taken a bit of a hit.

The Hon. ROBERT BORSAK: Mr Gulaptis, on page 6 you refer to two proposals which seem to have originated from the ideas of the Public Service Association about closing wing 13 at Cessnock and moving 200 prisoners across to Grafton. There also is a proposal to close the Dawn De Loas Silverwater facility. Have those proposals been put to the Government?

Mr CHRISTOPHER GULAPTIS: I believe so. I believe that these proposals which I have outlined were put to the Minister at a crisis meeting that I called. I believe it was the first meeting between the unions and the Minister—I presume since the Coalition was elected—to discuss Grafton in particular. These proposals were provided to the Minister at that time. Bear in mind that this was about a week or so after the announcement was made.

The Hon. ROBERT BORSAK: Did the Government give any undertakings to revert to those proposals or are they still in limbo?

Mr CHRISTOPHER GULAPTIS: I gather that the Government has not made any decision on it. Obviously Grafton was downsized so it did not take them into consideration before downsizing Grafton. That is what I am saying.

CHAIR: If Committee members have any further questions it has been resolved that the answers to those questions be returned within 21 business days. The secretariat will contact you in relation to the questions that you have taken on notice. Thank you for sharing the testimony of your electorate.

(The witness withdrew)

(Short adjournment)

JOHN McKENZIE, Chief Legal Officer, Aboriginal Legal Service, NSW and ACT, affirmed and examined:

CHAIR: I welcome Mr John McKenzie. I believe Mr Naden has sent an apology for his non-attendance due to unforeseen circumstances. Mr McKenzie, would you like to make an opening statement?

Mr McKENZIE: A very brief one just to cover what was in our written submission from our chief executive officer. The welfare of prisoners is, of course, a very important matter to us. Given the statistics of how many Aboriginal people are in custody, given some of the problems historically that there have been of Aboriginal people whilst in custody, and particularly the royal commission into Aboriginal deaths in custody some 21 years ago, we take the view that their mental and physical health, and their spiritual health, are all very important. In relation to their physical health, it has been a matter of concern to us for some time that certainly at least some parts of the Grafton Correctional Centre were far too old and not particularly suitable or amenable to physical wellbeing.

However, in relation to mental health, it is also an extremely important consideration that Aboriginal prisoners be able to have access to visits from their family and loved ones and friends. So there are those tensions from our point of view in relation specifically to the Grafton closure. We are of the view that overall it was a positive move to move the inmates to the better physical amenity where they have gone, but we would certainly like to see some very strong consideration and possibly special assistance provided to the families and close friends of those Aboriginal inmates from the northern part of New South Wales, especially north of Grafton, who now have considerably longer distances to travel to be able to visit their family and loved ones. Many of them are not economically well-off and a number of them are going to need some special assistance to be able to make that travel on anything like a regular basis.

The spirituality of Aboriginal people is also an important factor, and that has a lot to do with their identity, with their extended family groups and their actual connection—historical and present-day—to the land and some of the significant places on land and some of their handed-down history. Of course, by removing them from that they are further away from their land. That is always of concern but you have got to be frank and admit that the Aboriginal people if they are locked up in a jail it is not exactly amenable to them accessing any parts of their culture other than some visits by some of the local elders on special ceremonial days like NAIDOC Day and NAIDOC Week visits, in particular, I would say. Some special consideration might be given to those people to help them come down from the northern parts of the coast to make some particular visits on those special occasions to North Coast inmates. That is really just to put a little bit of flesh on our written submission. Other than that, I am happy to answer whatever questions the Committee might have.

The Hon. AMANDA FAZIO: You have spoken about your concerns in relation to Grafton. I have had some contact with Aboriginal people in the central west about the impact of the closure of Kirkconnell where the majority of prisoners from there were transferred to metropolitan centres. Have you had any representations from families there about the impact?

Mr McKENZIE: A small number, yes, and certainly concern, for the same reasons: it is very difficult for those families to visit their loved ones and I think it is an extra hurdle, shall I say, to Aboriginal people, especially if they are from a very non-metropolitan area like the central west. They do not really feel comfortable or confident in going into the big city to do anything. So it is an extra barrier to keeping those all-important family ties. But we certainly are of the view that, wherever possible, Aboriginal inmates should be given some priority in being placed in correctional centres as close as possible to where their family and land of origin is. That is certainly not often observed.

I think we have got to a stage in government services that the cost and economising and cost-cutting is number one, and we have seen a number of such measures introduced that mean that there is a lot less contact between the Aboriginal prisoners and their families, and, indeed, of any prisoners being able to get to courts. We have audiovisual links now. Unfortunately, we have got to face reality and try and advocate on behalf of our community group as strongly as we can. We do not see that we are going to turn back that tide, so what we would like to see are some special measures in the new way of doing things that allow for them to keep up whatever family ties they can.

The Hon. AMANDA FAZIO: It is my understanding that the majority of Aboriginal prisoners are not high classification prisoners, is that the case?

Mr McKENZIE: Certainly for the majority that is absolutely the case, yes.

The Hon. AMANDA FAZIO: In those circumstances do you think it would be reasonable for the department to consider something a little bit more innovative? For instance, instead of sending family groups to visit prisoners at a prison, perhaps some prisoners could be taken to a controlled environment where the families live for contact visits. Sending 10 people from a jail to a regional centre would make more sense to me than trying to get 50 family members down to a prison facility. Do you think that innovative way of reversing the situation would be an option that the department should consider?

Mr McKENZIE: I would love to see it considered. I think the families would be very pleased were that to be able to happen. It is a matter of whether the department is ever going to find the money and the wherewithal to do that.

The Hon. MICK VEITCH: How important is it to Aboriginal inmates to be on their land?

Mr McKENZIE: As I said before, you have to keep in mind that they are locked within the prison confines but it is a matter that plays on their minds—there is no doubt about that to mind. I have been working in the field of Aboriginal legal services and associated matters for 32 years now and it is a very, very strong consideration within those inmates. Certainly to the inmates who are not, shall we say, experienced inmates who have been there before, it is often a very confronting, overwhelming and sometimes daunting existence early on. There certainly does appear to us to be a very positive psychological process at play when at least they know that they are still on their homeland. They do not feel as if they are quite so removed from their own reality as if they are taken to a place a long way away. But I do not want to ever forget the fact that they are locked inside the four walls and the cell. As a psychological thing it could only help them to better adjust and perhaps get down to addressing some of the issues that led them to be there in a more positive way, rather than them grieving quite so much for what they have lost.

The Hon. MICK VEITCH: Are you aware of the location of the facilities that the Aboriginal inmates from, say, Grafton have been relocated to?

Mr McKENZIE: Not in detail, but I do understand that quite a number of them have been moved to the Cessnock facility.

The Hon. MICK VEITCH: Are you aware of what assistance is provided to the families to visit the Cessnock facility? If so, how often are they able to visit?

Mr McKENZIE: They need to make a request or an application if you like for assistance through the Department of Corrective Services. That can be a daunting thing for some of the families because they do not like dealing with officialdom and they get a bit scared sometimes. I would think that a very useful thing to facilitate this would be to have a better public exposure of the appropriate staff from the Department of Corrective Services in areas of Grafton, and perhaps further north, actively canvassing some of the Aboriginal families and saying, "We are here if you would like to come and see us. You do not necessarily have to try and talk on the phone to an official person who you have never met before and do not feel so confident about dealing with on the phone." I think it would be a great idea if there could be some on-the-spot departmental presence that actively encourages people and says, "This assistance is here so if you would like to visit your loved one in jail come and see us. We have some possibilities here." My view is that it is in everyone's interest that however often a family is able to visit a prisoner in their own circumstances, society only gains. In my experience family visits can only assist a prisoner in getting into the right headspace, so it is a productive thing to do.

The Hon. MICK VEITCH: When a decision as significant as the one to downsize Grafton Correctional Centre is made, what sort of additional supports would, firstly, the Indigenous prison population need to come to grips with such a decision and, secondly, what additional supports would their families need to come to grips with such a decision?

Mr McKENZIE: For the prisoners, may be the possibility of greater access to telephone contact would be a practical thing to consider—I know prisoners have a certain allocation of free phone calls and after that they need to pay for the calls themselves. In the immediate term, if a prisoner has been transported or moved in such a closure, I would have liked to have seen some extra entitlement, if you like, to access to phones to be able to keep that sort of family contact going. On important days such as the National Aborigines and Islanders day Observance Committee [NAIDOC] festivities—which are held in the middle of the year—more and more

people such as Aboriginal prisoners look forward to having a visit and a ceremony of some sort with elders from their own land. One thing that is very important now in the lead up to next July, is that elders from the Clarence Valley be seriously facilitated to be able to travel to whether it be Cessnock or Mid North Coast, as it is called, at Kempsey in order to be able to provide that connection with the prisoners from that far North Coast area. For the families, as I have said, they need to be facilitated to be able to go and visit their loved ones.

CHAIR: In a correctional centre visitor's survey conducted in 2011 the most common reasons identified for visiting an inmate included maintaining relationships and keeping family together. One of the comments noted about this was the potential for family to bring moral support and to help plan for the eventual release of the inmate. Further, 42 per cent of the respondents referred to "often" or "always" for cost and travel being a major problem. Are you aware that it is 523 kilometres from Grafton to Cessnock?

Mr McKENZIE: Yes, I would agree with that.

CHAIR: It is about six hours.

Mr McKENZIE: Each way, yes.

CHAIR: In light of that, 14 per cent of respondents reported that they were aware of the Corrective Services NSW travel and accommodation assistance scheme. Are you aware of that scheme?

Mr McKENZIE: I am aware of it, yes.

CHAIR: What does your department do in terms of getting that sort of information out? It seems that only a small amount of people know about that scheme.

Mr McKENZIE: Our staff—our solicitors, our Aboriginal field officers and our office administration staff—are certainly directed and encouraged to give that information to affected families. You have got to understand that just because they might have that information they may not feel at all comfortable or confident in accessing it. Some of them, even though they have been informed of it, when asked a question like that in a survey may still say they do not know about it. In effect they are really saying they do not feel confident enough that they want to go and access it. That is why I am saying if there could be a bit of a better and more publicly accessible profile of departmental people to assist and promulgate the idea that this is not something that is a special request or special treatment, this is something that is open to everyone, I think that can only help.

CHAIR: Its budget in 2012-13 is \$30,000 and in the past three years more than \$26,000 has been distributed under the scheme. The qualifier for the scheme is pretty stringent. With the closure or downsizing of Grafton, which has a high proportion of Indigenous inmates, would you be of the view that the stringent criteria should be relaxed quite a bit, given the fact that 523 kilometres needs to be covered to get the kids down to see dad or mum?

Mr McKENZIE: Definitely. Anything that can be done to get more family visits can only help all of society.

CHAIR: Other than the innovative measures mentioned by the Hon. Amanda Fazio, which are welcome.

Mr McKENZIE: Yes, because I am very well aware that Aboriginal prisoners have a higher recidivism rate than non-Aboriginal prisoners. It is in everyone's interest to put as much effort into the Aboriginal prisoners of today to try to stop them being prisoners of tomorrow. If we can actually seriously or significantly affect the rate of Aboriginal recidivism we are going to at least make a large stride towards reducing the terrible gap between imprisonment rates of Aboriginal people and non-Aboriginal people.

CHAIR: Talking about the closure or downsizing of Grafton, obviously accessibility for the families is nearly impossible. That is the bottom line. How will that play out in the behaviours of prisoners? Does it complicate their situations? Are they more likely to break probation? What are the outward signs when an Indigenous person does not get access to their immediate families?

Mr McKENZIE: The immediate sign is that they remain within their shell and they are not open to some of the productive and good courses that might be available to inmates to try to start addressing some of the

issues that have brought them into jail. That is the key to start to reduce recidivism rates. The way I would put it is this: The longer the inmate feels that they have been abandoned, if you like, or are in such strange circumstances in their mind, they are not going to be open to making that important step of positively engaging in some of the good and worthwhile courses and treatments that are available to inmates in jail with a hope that it might carry on afterwards. If you do not facilitate better and more regular family visits you are going to actually reduce the effectiveness of the programs inside the jail for those Aboriginal prisoners.

The Hon. ROBERT BORSAK: You have been with the Aboriginal Legal Service for a long time. I think you said for more than 30 years. You would have seen these closures in the past. How would you rank this one in terms of the planning and implementation of it as far as Indigenous prisoners are concerned?

Mr McKENZIE: About on par. We as the Aboriginal Legal Service never get consulted about anything like this so I am not going to pretend this is different to anything else. I have seen a lot of jails that have been closed re-opened too in my time, so hope springs eternal sometimes. I would have to say if you are asking from the point of view of notice to employees and all the rest, I am not aware of that.

The Hon. ROBERT BORSAK: I am talking in terms of the planned or unplanned impacts on the inmates, especially the Aboriginal inmates, because that is what we are here largely to talk about.

Mr McKENZIE: I think it could have been done better, absolutely, but I do not want to pretend that it has ever been done any better in the past. This is about par for the course from what we see.

The Hon. ROBERT BORSAK: Are there any areas where Corrective Services could more sensitively handle the planning process as it specifically affects your clients?

Mr McKENZIE: Absolutely. A bit of foreknowledge and warning to the families of the existing clients would have gone a long way, I think. There was certainly none of that as far as we know. That would have helped. You cannot say exactly how much it would have helped but that certainly would have helped. I think that if the Aboriginal Legal Service had perhaps been involved in some consultations in the lead-up to it actually happening we might have also been able to—if we were allowed to disclose it to the prisoners—start to prepare them for the move and just talk things through. It is certainly the case that inmates in general but Aboriginal inmates perhaps in particular really get very unsettled by unexpected changes because they feel so, I suppose, not in control of their own lives that unexpected changes only make them feel even more helpless. It could have helped both the families and the prisoners if there had been some more consultation, yes.

The Hon. SCOT MacDONALD: The level of recidivism is distressing: there is no doubt about it. Do you think that the change in strategy in the last couple of years to more community-orientated conditions and those sorts of things are helping? Are those rates getting better? The general prison population seems to be dropping. Are our more community-based orders helping with that recidivism?

Mr McKENZIE: I think so but I think it is only just starting to go in the right direction. The absolute number of prisoners is down but the proportion of Aboriginal prisoners remains the same, so we are not real happy about that. But, yes, it has got to be the case. The revolving door that has been happening for 20, 30, 40 years now is in no-one's interest. I think the community-based programs, properly done, are the real foundation upon which you can start to build a society where you do not lock so many people up for so long. Get them back out in the community because—

The Hon. SCOT MacDONALD: It is not necessarily about bricks and mortar?

Mr McKENZIE: That is right.

The Hon. DAVID CLARKE: Is this a fair assessment of your position: All things considered you believe that the relocation is going to be better for the Indigenous inmates but you would like the area of the visits to inmates, particularly on important days, to be revisited and looked at more carefully? Would that be a fair summation of your position?

Mr McKENZIE: Yes, I would agree with that as a summation. I just want to perhaps emphasise that one of the things that is very high up in our minds is that we want to reduce and cut out all deaths in custody. I have done too many inquests into deaths in custody at the old Grafton jail. The answer is, yes, on balance we think it was the right thing to do for the inmates; it just could have been handled a bit better.

The Hon. MELINDA PAVEY: In terms of the Aboriginal population that was at Grafton jail and where they have now ended up, are you aware of how that plays out in terms of proximity to their families?

Mr McKENZIE: I am not aware of all the cases of course but in general I am. I think one thing to remember is that not every Aboriginal prisoner that was in Grafton necessarily came from north of Grafton. Some of them have come from the Mid North Coast, Coffs Harbour and around there. When you look at it, in the initial move most of them have gone to Cessnock but you have got to remember that you have got the Mid North Coast Correctional Centre there at Kempsey. As time goes by we would be expecting that Far North Coast prisoners will more and more be housed at the Kempsey facility rather than the Cessnock facility. The Kempsey facility is fine, modern and good amenities for them.

The Hon. MELINDA PAVEY: Or potentially even the prison farm at Glen Innes.

Mr McKENZIE: Even better.

The Hon. TREVOR KHAN: That is a security classification.

Mr McKENZIE: That is right but yes. So we see the initial real dislocation problem was the move of this cohort of prisoners from Grafton to Cessnock and that is a very long way to go. We know how our things work from close observation over the years in correctional administration and we know full well the department will be seeking to save money by transporting those prisoners the least distance possible. So in the future we would be expecting to see more and more of the far North Coast prisoners being put in Kempsey.

The Hon. MELINDA PAVEY: Did you have any experience with the jail over the past decade in terms of the quality of care, in essence, for the inmates at Grafton jail? I note that in your submission that Grafton jail was no longer suitable. What do you put that down to? What do you regard as "no longer suitable"?

Mr McKENZIE: The physical building, the architecture. I do not know if you have been there or if you are going but I invite you to go into the old part of the jail and the old yards. We are talking about something from a couple of centuries ago.

The Hon. DAVID CLARKE: Oppressive?

Mr McKENZIE: Yes.

The Hon. TREVOR KHAN: Dickensian.

Mr McKENZIE: Yes, I would agree with Dickensian. That is the thing that comes to mind. Of course, that is not all of the existing Grafton. There have been add-ons and there are some more modern parts, but our greatest concern has been that old original jail portion that was used predominantly for the males.

The Hon. DAVID CLARKE: The very core of the jail itself is oppressive. There were bits added on but the core itself.

Mr McKENZIE: Yes, indeed. The architecture is dreadful. High in our consideration is preventing deaths in custody. Some of those old cells, you will never be able to remove all the hanging points from them—never. That is just a fact of life. Architecturally, you will not be able to do it, and that is one of the things we are concerned about. There are still far too many individual cells in this State correctional system in which hanging points are too multiple to count sometimes. Unfortunately, from our experience a fog of depression, unfortunate thoughts—unfortunately it is just far too easy to kill yourself that way.

The Hon. MELINDA PAVEY: Many of the submissions presented to the inquiry talk about a culture that existed at Grafton jail. Are you aware of that culture and how it affected any of your Aboriginal inmates?

Mr McKENZIE: I am aware of the historical culture. Back when I first started seeing clients there in the early 1980s it was still operating as one of the, in the terminology, hard jails of New South Wales where prisoners were ritually assaulted as they came in to make sure that they toe the line. So that gets handed down and people know that Grafton has that history. Aboriginal prisoners in particular are very mindful of the fact that their predecessors had been in there and they have been told of some of the dreadful things that happened to

them. So yes, I am aware, if that is what you are referring to. I am aware that that culture is actually a pretty negative thing for prisoners because of the really bad things that have happened there over the past 100 years or so.

CHAIR: Thank you for attending today. It has been very helpful. If any questions have been taken on notice, the Committee has resolved that answers to questions taken on notice be returned within 21 working days. The secretariat will contact you in relation to the questions you have taken on notice. I do not think you have taken any questions on notice, but the Committee might be of the view that it wants to send further questions to you. Are you happy to answer those within 21 days?

Mr McKENZIE: Certainly.

CHAIR: That would be fantastic. Once again thank you for your help and your expertise.

(The witness withdrew)

CHRIS CHRISTODOULOU, Assistant Secretary, Unions NSW, and

KATE MINTER, Research Officer, Unions NSW, affirmed and examined:

CHAIR: Would you like to make an opening statement?

Mr CHRISTODOULOU: Yes, thank you. Thank you for the opportunity to appear before the inquiry and for the opportunity to make a submission. We do believe though—and you will see this in our submission—that the Government's decision with respect to Grafton jail did have a complete disregard, we believe, to the needs of the workers that it was affecting, the consequences on local business and, most importantly, the broader effects on the community. We do maintain and particularly over the past six months we do not believe there has been a government decision, probably without the exception of Cronulla fisheries, that has seen unions, business, local government and, indeed, the Government's own local member expressing such outrage.

As you will see in our submission, much of our focus is about the complete lack of transparency, consultation, accountability and integrity about what effectively amounted to the closure of the jail as we knew it, which was a jail that housed permanent inmates. The decision, we believe, went against the very thing that the Coalition had announced in March 2011, that is, it would restore accountability with respect to government decision making. In our view there was no accountability with respect to this decision. The decision also lacked integrity. Why? Because the Premier, Mr O'Farrell, in June 2011 said to the people of Grafton that he could give them an ironclad guarantee that the jail would not close. We believe in all the circumstances, and what we know now, that that was indeed a misleading statement at best.

The jail that existed in Grafton in 2011 is no longer the same service or facility. There are two analogies I think I can draw with respect to the argument that the jail has not closed and has simply been downsized. The Grafton correctional centre was a fully functioning correctional facility housing permanent inmates. It has now been turned into what is described as a transit centre. I would say that is akin to a 300-bed hotel converting to a McDonald's restaurant, I guess. It might be on the same site and it might be part of the hospitality industry but it is certainly a very different product or service that is being offered. Maybe a closer analogy is moving residents of a 300-bed retirement-nursing home village out of their care and converting that facility to some other service, like a bingo venue. Yes, the retirees come and go, but the service is very different.

At Grafton, a permanent facility for inmates has been destroyed, in our view. The facility which provided inmates with work, skill enhancement and a for variety of prison industries, no longer exists, and no longer do we have a mix of staff, including correctional officers, teachers, nurses and other support staff, that once were in that facility. The jail is gone. What has replaced it is a transit centre, not a jail. So in our view the word "downsizing" is a new word in some respects for "closure".

Apart from the devastating effects that this decision has had on the workers made redundant, to date we have not seen any business case to justify the decision, and we do not believe that we have seen, in any event, any business case or indeed community impact analysis of the decision. As you will note in our decision, we say that such community impact analysis should occur prior to these decisions being made as part of community consultations. We believe that the closure of Grafton jail was bad government, bad politics and it was badly managed. We would like to see the decision overturned, although we recognise this is unlikely, as we do not believe the Government will admit that the whole process and the way it was dealt with was handled very badly.

We would ask the community to look carefully at some of the suggestions we have raised in our submission, but particularly around the question of introducing community impact statements, and certainly to send a strong message to the Government that this is not the way that they should go about consulting the community when such significant decisions are made.

The Hon. MICK VEITCH: I will begin my questioning with the subject matter of your closing statements, Mr Christodoulou. Clearly from your submission, you think that community impact statements and rural impact statements need to be conducted prior to decisions being made of this size. You appear to have a fair bit of research on available models of rural impact statements. Can you talk the Committee through the preferred model of consultation in developing a community impact statement?

Ms MINTER: The model is mostly outlined in the appendix of the Unions NSW submission, but it would go together in terms of outlining a consultation process that is able to reflect the views of the community

and actually assesses each individual proposal before it has gone into a decision. It would actually be seeking out stakeholders as opposed to inviting people to the table. It would need to be developed within the Government. We do note the current rural impact statements that are current policy and would recommend something in line with those, but also taking into account what we have outlined in the submission in the appendix.

The Hon. MICK VEITCH: With the Grafton situation, a rural impact statement or a community impact statement in essence would not just have been about Grafton, for example, in moving or relocating 20-odd jobs out of Nowra, so there is also an impact on a community quite a distance from Grafton. Would you envisage that would be separate impact statements or the same impact statement for the decision that accommodated all of the flow-on effects?

Ms MINTER: Part of an impact statement would have to look at ways of minimising the effect of the decision. In the case of Grafton, one of the minimising impacts might have been the moving of public sector jobs to Grafton. In this case, the jobs you mentioned that have been moved out of Nowra and Shoalhaven would need to be assessed. It could be done within that community impact statement but we would also advise, depending on the impact it would be perceived to have had on Nowra and regional areas, that a separate impact statement should be developed for those as well.

The Hon. MICK VEITCH: I know the Chair has a significant interest in the Shoalhaven jobs. This morning we heard from Mr Gulaptis, the member for Clarence, who articulated the process and chronology as far as he was involved. Clearly it would appear he was not as involved as some would think a local member of Parliament should be. That is not a criticism of him; it is more a criticism of a process. It was also in the media where the Deputy Premier advised that he did not know about the decision relating to the Grafton jail either, and we have nothing from the Minister for the North Coast publicly about it, so I would suggest that possibly he did not know about it either. In your view of a community impact statement or a rural impact statement, would you envisage that that would include consultation with people, such as a local member of Parliament?

Mr CHRISTODOULOU: Absolutely. I would have thought that once the government of the day announces it will do a community impact statement, it is alerting the community, all and sundry, that there may well be a decision made with respect to a decision that may or may not be made, but that the Government may be contemplating. As a consequence, I would have thought that every person who has an interest—whether that is the local member, the local council, the business chamber or indeed the workers who may be affected and, as you have mentioned, any beneficiaries associated with any such moves—should have some input.

Certainly I think the point to be made with Grafton is that it seemed that nobody had too much knowledge about what was to be announced in the magnitude in which it was to be announced and in terms of the timing at which it was to be announced, and that is what I think drove so much anger in terms of when the announcement was made. It is just beyond me that a local member would not have been advised by at least the Minister of his own Government, or the Premier or the Deputy Premier, that such a decision would be made that would have such an impact on his or her local constituency. Certainly I think the community impact statement is one way of making sure that we guard against decision-making that is not accountable and decision-making that is not transparent. That is not to say that the Government cannot make decisions. Of course, the government of the day will make decisions, but I think it needs to have some regard for the impacts of those decisions on the people that the Government represents.

The Hon. MICK VEITCH: Have you fielded calls or concerns about the impact on the workforce at the Grafton facility because of the nature of the short timing and the short announcement?

Mr CHRISTODOULOU: I cannot, not directly. I cannot answer that question because I have not been directly involved with this particular matter. Other officers of our organisation have. If you wanted me to, I could talk to them.

The Hon. MICK VEITCH: I am not after the numbers. I want to get a feel for some of the things that have been raised.

Mr CHRISTODOULOU: I cannot honestly answer that question because I have not had the opportunity to talk to the Public Service Association [PSA] prior to coming to the inquiry.

The Hon. MICK VEITCH: When a decision like this is made, do you have any experience in the supports that are provided to the workforce after the announcement, such as counselling services and financial assistance, not only for the workforce but also for their families?

Mr CHRISTODOULOU: Yes. Look, it is variable, depending upon the employer and what additional supports the employer provides. Again, in terms of any sorts of redundancy packages that may have been offered to employees, I cannot be precise about what additional things the Government did to assist employees through that process. But I can say at the time of the decisions being made we did have, particularly at some of those very early community protests, workers who worked at that facility who were just in tears about that decision having been made.

How those workers are now coping, I cannot tell you—I am not in a position to—but the reports back to Unions NSW at the time of those protest rallies were that there were workers in tears and some of their family members were in tears about the potential impacts of the decision. Again, had there been a community impact statement or analysis done prior to the decision, at least those families and workers would be forewarned, at least they would have time to understand that a decision like this might be forthcoming and they could start to think about their future. That is why I think the way that this decision was made was very callous, the timing of it, without any consultation, and that is I guess the main substance of the point we would like to put before this inquiry.

The Hon. DAVID CLARKE: We have heard that Unions NSW is opposing the downgrading of facilities at Grafton and in approaching this you talk about lack of process and bad politics, and then you say it should be overturned, yet we have heard from the department, from the commissioner, substantial reasons why it was done. You talk about process and politics, and they talk about the substantive reasons—the age of the facilities, the maintenance difficulties, the difficulties with modification given heritage aspects and the drop in the prison population—and then we heard from Mr McKenzie from the Aboriginal Legal Services, representing a very significant proportion of Indigenous inmates there, and he said it is a good thing. He wants something done with visitors and so forth—you were here, so you heard the evidence. You are talking about politics and the process, and that is one thing, but there is the substance of the whole issue, which you do not seem to have answered, although Mr McKenzie was very clear, representing a very significant proportion—

The Hon. AMANDA FAZIO: Are you asking a question?

The Hon. DAVID CLARKE: I am making a statement and asking a question because I am asking for a response to my statement.

Mr CHRISTODOULOU: Okay, I am happy to do that. I suppose I would be in a different position to be able to give you a response if indeed the department had bothered to consult the community about the rationale that it was taking and consult the unions about why it wanted to make the decisions with respect to the restructuring in terms of the objectives that it wanted to achieve as a consequence of the restructuring. It may well be that there were good reasons why this decision had to be made in the interests of the inmates and in the interests of reducing recidivism—there could be a whole range of reasons—but the point is that no-one was given an opportunity to listen to those arguments or indeed sit down and put any contrary arguments forward that may have been able to achieve the same objective.

I think the difficulty, as I have raised in our submission, is that it may well have been a different outcome and a different response had the Government been more transparent, more consultative and listened to the concerns of the community prior to making that decision. I heard what the previous witness said. I understand where he comes from because I was on the Corrections Industry Advisory Committee dealing with industries in correctional facilities. I understand the role that Corrections plays. I understand that we need to be sympathetic to try to assist inmates to rehabilitate. My point is that all those arguments should have been put forward and all those consultations should have been put forward to the people who were affected by the consequences of the decision. They were not, and that is bad government, and I stand by that statement.

The Hon. DAVID CLARKE: You are not prepared to accept that the end result—forget about the process, but the end result in itself—is not a good result?

Mr CHRISTODOULOU: I am not an expert in that. You have just told me that statement.

The Hon. DAVID CLARKE: I am putting it to you for a response.

Mr CHRISTODOULOU: Yes, and if you can show me the evidence I would be happy to concede or otherwise, but you are giving me a statement of which I have no evidence.

The Hon. DAVID CLARKE: We had the evidence of the department—

Mr CHRISTODOULOU: I was not here to hear that evidence, I am sorry.

The Hon. DAVID CLARKE: You would be aware that we are talking about buildings. The core of this jail is over 100 years old and so forth.

Mr CHRISTODOULOU: Yes.

The Hon. DAVID CLARKE: You heard the evidence of Mr McKenzie who touched on that.

Mr CHRISTODOULOU: I have been in a number of correctional facilities, including Long Bay. I was involved in the agreement to construct Kempsey and a range of others. I know about the correctional facilities, I know that some of them are very bad facilities in a bricks and mortar environment. I understand all of that. I was not here to hear the evidence, so therefore I am not prepared, absent from hearing what he had to say, to agree with your statement.

The Hon. DAVID CLARKE: But would you concede that it may be a good result?

Mr CHRISTODOULOU: It may be for the inmates, yes, it may well be—I cannot say no to that—but I have seen no evidence of that.

The Hon. DAVID CLARKE: Except from Mr McKenzie.

Mr CHRISTODOULOU: Except from listening to Mr McKenzie.

The Hon. SCOT MacDONALD: We have taken submissions, including one in confidence, that there are significant industrial relations issues in Grafton. Would you say that there is some correlation with an old jail like Grafton and difficulties with the architecture, the heritage and the facilities that seem to engender problems with the inmates and problems with industrial relations versus newer places in Kempsey and Cessnock?

Mr CHRISTODOULOU: I think every industrial relations situation is different. Most of it could be a cultural thing between management and the employees that are there, and that could have evolved over many years. To be able to say that it is as a consequence of the actual bricks and mortar is hard to measure, unless that was having an occupational health and safety effect on some of the correctional officers and their ability to do their work, but I think every environment is different. I do not know that I am in a position to be able to say yes or no to that without getting into some discussion with the correctional officers and having a complete understanding of the industrial relations position on that particular site.

The Hon. SCOT MacDONALD: From the evidence we have, there seems to be a linkage between the industrial relations history of Grafton versus newer facilities. That is what I am trying to put to you.

Mr CHRISTODOULOU: Again I have not heard that evidence, but I presume you have got that evidence and so be it. I am still not sure what that has to do with the decision to close the facility, unless you are inferring that that is the reason you closed the facility, because you had bad industrial relations.

The Hon. ROBERT BORSAK: Sometimes there might be a reason to close it if there are bad industrial relations, if you can never fix it, but that is not my question. You have been involved with Unions NSW for a long time and have probably seen these processes over many years, the opening and closing of jails, the negotiation of industrial agreements for new jails and the winding up of old ones. How does this particular one rate in relation to closures that you have seen in the past? Does it differ in method or process to what you have seen in the past with Corrective Services NSW handling of these particular processes, especially winding down and closure?

Mr CHRISTODOULOU: To be honest, I have not directly been involved in many issues around correctional facilities. I normally deal in other industries—the private sector in the main—but from my

experience sitting on the Correctional Industries Consultative Council, because we often used to receive reports about restructuring of correctional industries, there would normally be a high degree of consultation with the unions, and in particular sometimes with the local communities, before a decision of this magnitude was taken. I think I can say quite confidently that the way this decision was made seems to be out of step with what has happened previously.

The Hon. ROBERT BORSAK: You make some extensive recommendations on page 4 in relation specifically to community impact statements. Have you seen community impact statements done in relation to past closures of these sorts of facilities?

Mr CHRISTODOULOU: No, not personally, I have not. I have not been involved in those personally.

The Hon. ROBERT BORSAK: Would you say that Unions NSW has seen them in the past?

Mr CHRISTODOULOU: I think there would be officers of Unions NSW who have probably seen them. Possibly not in the form of appendix 1, because in appendix 1 we are putting forward what we think would be a good practice guideline in respect of community impact statements.

The Hon. ROBERT BORSAK: You have spoken very much about community impact statements. I do not have your appendix in front of me, so forgive me if I am going over old ground. Does that community impact statement also deal with industrial impacts to your members? Obviously it would affect their families in the community but does that deal with that as well?

Ms MINTER: Yes, it would incorporate workers as part of that community and workforce but also broader in terms of the locality.

The Hon. ROBERT BORSAK: What are the key parts of that particular recommendation in relation to the staff?

Ms MINTER: It would be in terms of consulting and considering the effects it would have on them if the proposal were to go ahead, and seek to minimise any negative impacts. For instance, it would seek to implement perhaps counselling or transition to other employment, looking for further employment to move into the area, looking at possibly retraining staff. Also how the number of staff who needed to be made redundant could be minimised.

CHAIR: Another submission states that the department should have a proper and detailed process to close correctional centres in much the same way as it has when introducing one into a region. I have asked other witnesses, if they were closing it down, what would be the template they would use. What is the checklist, who would you expect to consult with? Do you have some sort of checklist that you would see A, B, or C, and make sure you make representations to these particular stakeholders?

Mr CHRISTODOULOU: We do not have a paper we could pull out of a drawer and say this is the template but I think commonsense would tell you that, for example, at Grafton the template would have to include the workforce and their representatives, the local council which looks after the area, the local member whose constituents would be affected, the chamber of commerce because of the local businesses that may be affected because of the closure and any other community organisations and, I have just been reminded, there may also need to be some consultation with the inmates, and particularly their families if they live locally.

CHAIR: That was brought up by Mr McKenzie about empowering them to be part of the decision-making process, which was a very good point, as part of their rehabilitation. I suppose it is the perfect storm. You have to consult about 100-odd job losses. It is very difficult to get everyone on board to move through such a situation like that. One hundred people out of jobs in a regional area is a lot. The impact is massive. I would have thought there would have been a strategy to consult with everyone, and you have already said it was badly managed.

Mr CHRISTODOULOU: Yes. I did make the point that probably, with the exception of Cronulla Fisheries, which was a pretty bad decision, this is probably the next one off the cap. For a government that is so young to make two such bad decisions or manage those two things in such a bad way is not good for the future. The Government needs to learn from these two mistakes. If it wants to anger the community more, it will make

more of these decisions but if it wants to make decisions that bring the community along with it, it needs to consult more—and it needs to listen when it consults.

Ms MINTER: I just want to add, in addition to consultation, one of the things we have highlighted in our submission was the lack of transparency around the decision. I know we heard earlier that reasons from the department were brought out but these were not made publicly available prior to this inquiry at the time of the decision, and that is another concern of ours.

(The witnesses withdrew)

(The Committee adjourned at 12.35 p.m.)
