

# The New Zealand Herald

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Private prison **company** Serco this month brings out a tough Scotsman to run New Zealand's newest prison-for-profit, Wiri in South Auckland. As the Government shuts some of our publicly-run prisons, we investigate whether private prisons are the principled answer to justice.

A softly spoken supervisor called Birdie is issuing instructions to more than 20 women grafting away on the shop floor of a cavernous warehouse.

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The setting is not unlike a supermarket stockroom, with shelves stacked high with everything from boxes of instant noodles to packets of biscuits and toiletries.

While Birdie makes sure orders are going out to customers on time, her eager colleagues are busy shifting goods, issuing invoices and tending to computerised business systems.

But this is no ordinary commercial operation. Birdie and her co-workers are prisoners.

They are being held at the Auckland Region Women's Corrections Facility in Manukau, a public jail where a private-sector culture is being adopted.

The women choose to work a 40-hour week in the jail's distribution centre. They start on 20c an hour, which can more than double if they are promoted to a supervisory position.

"As well as doing a normal working week we have been taking exams and getting some proper qualifications," Birdie says. "Learning to live on what you earn is good discipline and my confidence levels have never been higher."

"I now can't wait to start work in the morning and if I didn't have this opportunity I probably wouldn't have changed."

A full-time working week packing widgets? This isn't old-fashioned hard labour - this is big business. New Zealand's public prisons are taking more of a commercial approach in a bid to meet stiff Government targets aimed at dramatically reducing the numbers of inmates being returned to captivity.

Asked about "inmates" at Auckland Women's Prison, an officer sharply advises this is no longer the accepted terminology. And prison guards are now "officers" and prisons are "correctional facilities".

Two years ago, Corrections Minister Anne Tolley announced an ambitious plan to cut reoffending by 25 per cent by 2017.

If the goal was reached there would be 18,500 fewer victims of crime and 600 fewer people in jail. Tolley recently announced that target is already halfway towards being met.

The news of a declining number of people returning to jail comes as work gathers pace on a new \$300 **million** private prison being built at Wiri, South Auckland, due to open next year.

Currently, the country's only other privately operated jail is the 960-bed Mt Eden remand prison in Auckland.

Critics believe the construction of a for-profit facility signals a move towards more of the public system being placed in private hands. Even libertarians believe law and order is the most basic function of government. Surely justice and prisons are the last things we should privatise?

Private prisons are not new to New Zealand. Our first private facility, the Auckland Central Remand Prison, opened in 2000 under a contract to Australian Correctional Management (ACM).

Four years later, Helen Clark's Labour Government amended the law to prohibit the extension of private prison contracts. An Amnesty International-funded report expressed concerns about the treatment of asylum-seekers at the private remand prison, saying refugees were treated like criminals and not segregated from those on remand.

Two inmates have committed suicide in the cells.

The remand prison's outspoken boss Dom Karauria was more or less hounded out of the country, accused in Parliament of being the frontman for a "rapacious global correctional conglomeration".

When Karauria quit to return to Australia, he said: "Personally, it's been extremely disappointing for me. It's difficult to run a prison anyway, but to have the added political pressure put upon you, it takes a personal toll."

In 2005, the five-year deal with ACM was not renewed.

But in 2010, John Key's National Government reintroduced privately run prisons and British **company** Serco was awarded the contract to manage the new Central Auckland remand prison, now known as Mt Eden Corrections Facility.

Serco will also operate the new jail at Wiri.

Serco had problems when it first took over Mt Eden. It was slammed for a high rate of serious assaults and escapes in its first 12 months, and fined \$750,000 for the errors.

Ten years after leaving New Zealand, Karauria is still working for the Geo Group in Australia where he is now director of correctional services.

He believes Serco has learned from teething troubles he encountered during his time at Mt Eden. By its second year in charge, Serco had vastly improved its performance and was meeting 95 per cent of the targets set for its six-year deal.

Yet despite Serco's promising turnaround at Mt Eden, Karauria does not believe New Zealand's prisons should all be privately operated. "In terms of rehabilitation initiatives, the private companies have set a benchmark that is there to assist the public prison system and that is a very good thing," he says.

"A lot was learned from Auckland Remand Prison when it was privatised, particularly in the areas of tackling reoffending.

"The contract at Wiri is based on outcomes and there will be more personal responsibility placed on the prisoners to undertake self-improvement programmes, and for me that is a quantum leap forward for New Zealand.

"In saying that, I don't envisage, or want to see, an all-private prison system in the country. But the private sector can set new standards that are beneficial to the public sector."

Overseas, private prison companies have long been the subject of controversy.

Last October in the United Kingdom, Christopher Hyman, chief executive of Serco, stepped down after the **company** was accused of overcharging the British Government on contracts to monitor offenders using electronic tags.

A few months earlier, two firms, Serco and G4S, were accused of charging the UK Government **millions** of pounds for people they were not actually monitoring.

In a few cases, offenders they were supposedly monitoring were dead. The revelations prompted a review of all contracts held by Serco and G4S.

In Australia, the future of Victoria's newest private jail at Ararat was put in limbo in 2012 when St Hilliers Construction, the **company** building it, hit financial trouble. The \$400m project was placed in a

dire position amid union claims of mismanagement, including the **purchase** of **Chinese** doors and windows that did not fit.

And in February, the escape of three prisoners within a month prompted the Western Australian Government to look at its \$50m-a-year prisoner transport contract with Serco.

In the face of problems overseas, why are we building a \$300m private facility at Wiri? The New Zealand Government will be locked into a 25-year contract, for which Serco is obliged to outperform public prisons by 10 per cent - meaning it will have to show a 27.5 per cent reduction in reoffending, the same as at its Mt Eden operation.

Serco has recruited a tough Scotsman, Mike Inglis, to run the show. Inglis will arrive as Wiri's director this month and brings with him a big reputation for being strong on introducing innovative projects aimed at minimising re-offending.

Serco cast its net worldwide before opting for the man who was in charge of the high-security Edinburgh Rd jail in Perth, Scotland, leading a 343-strong staff overseeing 640 prisoners.

A married father-of-two, 43-year-old Inglis has a wealth of experience at a number of large Scottish public jails and prides himself on implementing schemes such as inviting local school children to meet the inmates as a deterrent.

Inglis can't wait to get started at Wiri and has told the Scottish press he is prepared for any flak. "Rehabilitation programmes can bring criticisms that prisoners are having it too easy," he is quoted as saying.

"But we aim to build relationships and trust, and set them on a path to ensure there are fewer victims and crimes committed when they leave."

Inglis' credentials have impressed top brass at the public end of the New Zealand prison service. Christine Stevenson, acting chief executive of Corrections, relishes the competition. "Mike and his team will be required to outperform us and we are going to make that as hard as we can for them, so bring it on," she says.

"But it is not just the competition we welcome. If it means more New Zealanders don't return to prison, that is a great thing."

About 8200 people are in New Zealand prisons. This Government has closed two ageing prisons, in Wellington and New Plymouth, and has axed wings from other jails. But \$86m has also been pumped into a refurbishment programme for a number of ageing regional facilities, including an \$18m refit for Invercargill Prison.

Some opponents regard public-private partnerships as wrong on philosophical and practical levels.

Union leader Beven Hanlon, from the Corrections Association, believes National's long-term goal is to privatise all of the country's prisons. He fears this will **lead** to a drastic loss of jobs for his members.

"When Wiri opens it will mean almost a quarter of the prison population will be in private hands," he says. "The next step could be to build two or three other giant facilities and that would take care of the rest."

Hanlon also points out that if crime rates keep falling, there should be no need to spend hundreds of **millions** of dollars on more jails. "There is no evidence to support the argument that private prisons are more cost-effective than their public equivalent. We already have plenty of spare beds in the system, so why do we need more?"

Jacinda Ardern, Labour's Corrections spokeswoman, warns that future governments may have to prop up private prisons because of the long-term contracts. "The secrecy surrounding the deal with Serco is a concern," she adds. "Would Government have to start injecting vast sums of money into the private sector if things started to go wrong? We should be spending money on cutting crime and making the streets safer, not building more expensive prisons."

Private prisons, by their nature, have a vested interest in crime rates staying high. That's according to Dr Jarrod Gilbert, University of Canterbury sociologist and gang expert. "It costs more than \$92,000 a year to keep a prisoner locked up in New Zealand, so there has to be a conflict of interest when it comes to rehabilitating people if you are making money from them being in your facility."

But sitting in his board room at Mt Eden Prison, burly Serco director Scott McNairn shrugs off the criticism of his **company**. The former British army man is based in Brisbane and spends his time flying back and forth across the Tasman, overseeing the **firm's operations** here and in Australia.

“We had a few problems when we first took over at Mt Eden and it was important to sort those out, which we have,” the Scotsman says. “However, we are excited by the Government’s agenda of significantly reducing re-offending and we are well placed to deliver that here and at Wiri.” McNairn is also quick to stress that Mt Eden has been sitting at the top of the prison performance tables for more than a year.

One recent convert to the private system is Mike Williams, former president of the Labour Party and chief executive of penal reform organisation the Howard League.

“We have the second-highest incarceration rate in the world behind the United States and have had a sky-high rate of reoffending,” he says.

“It is time to bring some new thinking into the system and the new focus on having less people return to jail is welcome. It is an experiment that is worth a go.”

Even the hardline Sensible Sentencing Trust is behind Corrections Minister Tolley’s drive to cut re-offending. “If private companies can do a better job of turning criminals into decent human beings, then we are all for trying it,” says spokesman Garth McVicar.

In Wellington, Tolley is pleased with progress. But she dismisses suggestions of plans to privatise all prisons.

“I deliberately set a very high figure of getting re-offending down by 25 per cent so our staff would not just do a bit more of what they were doing previously,” she says. “We had to do things differently and as we are already halfway there, it is clearly working.”

Tolley insists that despite the new focus on educating and training prisoners, it does not mean the Government will be soft on crime. “The really bad buggers need to be kept locked up and the safety of the public is paramount.”

Back at the public women’s prison in Auckland, many inmates appear to welcome the new spirit of free enterprise.

Some are allowed out on a daily basis to cater food for builders at the nearby Wiri prison site.

They insist their home-made chicken pies are the talk of South Auckland.

“When I was imprisoned before, I just did my time and did nothing to improve my lot so it wasn’t long before I was locked up again,” says one inmate, who is trusted to handle cash at the prison’s coffee shop. “Instead of seeing my time inside solely as a punishment, I now see it as an opportunity to better myself.”

?What’s your view?letters@hos.co.nz

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