



Reference: 09/1984TRAV1

April 2011

Chief Executive

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Mr Guy Dickson
Secretary to the Committee
Legislative Council of South Australia
Parliament House
ADELAIDE SA 5000

Dear Mr Dickson

Re: Budget and Finance Committee

Please find attached corrections to the transcript for the Budget and Finance Committee session on 11 April 2011.

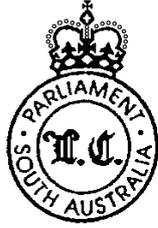
In addition to the corrections attached – I would also like to make the following points of clarification:

- Page 516 – For the restructure of building communities, our estimates are that we will be losing about 17.6 FTE's for this current financial year.
- Page 517 – As at 28 February 2011, 21 TVSP's have been offered across the Department.
- Page 522 – Comparisons between the cost of providing the service through public and private operators were conducted for the past two renewals of the contract.
- Page 529 – The \$30 million figure relates to 2010-11.
- Page 538 – Total legal costs paid to date to Lawson Smith amount to \$72,000 and include solicitors fees, counsel fees and disbursements.
- Page 538 - Due to a misunderstanding, I would also like to correct the record and advise that the Colin James matter is not yet resolved.

A handwritten signature in black ink, appearing to read 'J. Maguire'.

Jerome Maguire
Chief Executive
Attorney-General's Department and
Department of Justice

20/4/11



LEGISLATIVE COUNCIL

BUDGET AND FINANCE COMMITTEE

Plaza Room, Parliament House, Adelaide

Monday 11 April 2011 at 10:30am

BY AUTHORITY OF THE LEGISLATIVE COUNCIL

MEMBERS:

Hon. R.I. Lucas MLC (Chairperson)
Hon. J.A. Darley MLC
Hon. P. Holloway MLC
Hon. D.W. Ridgway MLC

ALSO PRESENT:

Hon. S.G. Wade MLC

WITNESSES:

JEROME MAGUIRE, Chief Executive, Attorney-General's Department, maguire.jerome@agd.sa.gov.au; PETER SEVERIN, Chief Executive, Department for Correctional Services, peter.severin@sa.gov.au; DAVID PLACE, Chief Executive, and DAVID NORTON, Director, Corporate Services, both of South Australian Fire and Emergency Services Commission, GPO Box 2706, Adelaide 5001; and ANDREW SWANSON, Director, Financial and Business Services, Department of Justice, GPO Box 464, Adelaide 5001, called and examined:

3750 The CHAIRPERSON: We will move through the formalities firstly. Welcome to the meeting. The Legislative Council has given the authority for this committee to hold public meetings. A transcript of your evidence today will be forwarded to you for your examination for any clerical corrections. Should you wish at any time to present confidential evidence to the committee, please indicate and the committee will consider your request. Parliamentary privilege is accorded all evidence presented to this committee. However, witnesses should be aware that privilege does not extend to statements made outside this meeting. All persons, including members of the media, are reminded that the same rules apply as in the reporting of parliament.

Mr Maguire, you are obviously familiar with our procedures, but, for the benefit of Hansard, I ask you formally at the outset, to introduce yourself and your title, together with your colleagues who are at the table and their titles. If any other officer joins through the meeting's progress, could you introduce that officer and his or her title as well, we would appreciate that.

After the formal introductions of your team, I invite you to make a brief opening statement, if you wish; if not, we will move straight into questions. As you realise, this is a continuation of the November appearance, when we were unable to get through the range of questions and issues during that two-hour meeting.

Mr MAGUIRE: I am the Chief Executive of the Attorney-General's Department and the Department of Justice. Peter Severin is the Chief Executive Officer for the Department for Correctional Services. Andrew Swanson is the Executive Director, Business and Financial Services, Attorney-General's Department, and David Place is the Chief Executive of the South Australian Fire and Emergency Services Commission. That is the team here at the table. In terms of an opening statement, we do not really have an opening statement and would prefer to go straight into the proceedings, if you don't mind.

3751 The CHAIRPERSON: Well, let's move quickly into it then. You were last with us in November and subsequently you have provided us with some further detail. In summary, what the department has now advised us is that the aggregate (that is, the existing and new savings numbers for the whole portfolio) is \$18 million this year, and then next year it almost doubles to \$35 million in savings. The following year, it jumps again to \$49 million, and in 2013-14 you are required to have found \$54.78 million. So, that's a jump from \$18 million this year to \$54 million. In

summary, your evidence last time was that a fair bit of work had obviously gone into certainly the 2010-11 savings.

I will start with you first, Mr Maguire, and then move to Mr Severin and Mr Place for their areas. In your case, you have \$5.2 million in savings this year, and you have indicated to the committee already broadly how you are going to achieve those. That has to jump to \$23.2 million by 2013-14. You did indicate to the committee that a fair bit of work was going on and, in the first six months of this year, some of that might be resolved. Given that we are almost five months down the track, are you in a position now to advise the committee in any clearer detail the nature of any further decisions you have taken in terms of savings measures for the forward estimate years?

Mr MAGUIRE: For the Attorney-General's Department, I can advise it is \$5.3 million for 2010-11. We are on track for making those savings, so we don't see that as a problem. For the out years 2011-12, 2012-13 and 2013-14, we have a lot of strategies in place to achieve those savings. Fundamentally, they were announced in the budget of last September, which is, in essence, redesigning the organisation. So, we have three key divisions now.

One division is Building Communities; the second division is Consumer and Business Services, which is the merger of liquor and gambling and consumer affairs; and the third division will be organisational performance, and that comprises all the corporate, HR, finance and procurement, as well as across departmental policy unit. In doing that, we are merging a lot of the corporate areas, including grants administration and policy, so that we have centres of excellence in the department to deliver that.

We are still working through exactly the formation of these divisions. We have just recruited two of the three new divisional heads, and their key performance agenda is to form the new organisation that I talk about. In that organisation they have a budget envelope to work to, which fits in with the budget constraints that we have, as well as a number of other constraints. So, it is their business to manage that.

The first divisional chief—we call them deputy chief executives—was Paul White. He was appointed before Christmas. Paul now heads up the consumer and business services, and Paul has already gone through quite a deal of planning on how he is going to meet his budget constraints. He has a change team in place and he is doing a lot of training and development with his staff and looking at his future leadership team. That area in particular is probably more advanced compared to the other two.

After Christmas we appointed the second leader, the leader of Building Communities. The lady's name is Jessie Byrne. Jessie is leading a team. She is just starting her change team now, developing a change team. She also has a budget envelope from which to work, as well as a number of constraints, including FTEs and executives. So, it is her responsibility to manage that within her division.

We are well down the recruitment path for the third head I talk about, and that is for the organisational performance. There has been work ongoing in that group, outside of appointing the individual to lead it, to work towards their budget constraints as well. We are very confident that we will meet this year's target and we have very deliberate actions and plans to achieve the out years as well.

3752 The CHAIRPERSON: This year's target is \$5.2 million, but the target for 2013-14 is \$23.2 million, so you have to find an extra \$18 million, almost four times the size of the cuts that you have achieved this year. In the estimates committees, broad estimates of the potential savings from the two major changes you have just talked about were floated. One was that the merging of OCBA and Liquor and Gaming was going to achieve savings of about \$2.5 million, and the Building Communities merger was going to achieve savings of about \$3.7 million, or of that order.

If you add those together that is about \$6 million. Are those estimates still accurate as to what you will achieve from the savings, and even if you achieve those savings, you are still \$12 million short, I guess, in terms of achieving the level of savings required of you by the budget.

Mr MAGUIRE: I am not sure. Could you repeat those? I am not sure whether there is a cross-connection in terms of portfolio savings vis-a-vis the Attorney-General's Department savings.

3753 The CHAIRPERSON: I couldn't help you there. These were referred to in the estimates committee debate broadly, numbers of \$2.5 and \$3.7 million, so I guess I am asking of you whether they are the current estimates of what you see, a merger of those two functions, which you say is the major achiever, or are you saying to the committee the merger will actually achieve these \$18 million in savings that you are going to require to do?

Mr MAGUIRE: Are you talking this current year or the next current year?

3754 The CHAIRPERSON: In your answers to the committee in your letter—questions taken on notice—the Attorney-General's Department is listed as achieving aggregate existing and new savings for this year of \$5.27 million and for 2013-14 of \$23.24 million. If you have achieved them, or you are in the process of achieving the first \$5 million, there is another \$18 million in savings that you have to achieve. I am asking you, are those two mergers going to achieve most of the \$18 million? At least on first blush, evidence to the estimates committee would indicate that they would not.

Mr MAGUIRE: The answer is yes. In the budget papers you would see there is an establish Building Communities division. The savings of that in the final year was about \$3.6 million. Another heading in the budget papers was departmental efficiencies, and you would know the write-up for that included the merger. In the final year of the forward estimates of 2013-14, we have a target of \$9.5 million to achieve. That is for that particular item in the budget.

3755 The CHAIRPERSON: Is it departmental efficiencies?

Mr MAGUIRE: Yes, and the merger is included in those departmental efficiencies.

3756 The CHAIRPERSON: But the merger itself, in terms of the reduction of the head count, will require reductions in other programs and grants, etc., to achieve the \$18 million, not just through the merger, the natural reduction of the head count that you will achieve.

Mr MAGUIRE: That's true, and there is a whole list of those areas that were broadcast in the budget papers, so I am not sure what the question is.

3757 The CHAIRPERSON: The question is: what particular grant programs, etc., and projects in the out years—2012-13 and 2013-14—specifically will be cut and by how much?

Mr MAGUIRE: As I said earlier, we are working towards that, and the appointment of these new heads and their change team and their executive team, it's their challenge to work out exactly how they will make those savings.

3758 The CHAIRPERSON: So those decisions are still to be taken by the new heads. They will just be given a reduced budget and told to go off and find the cuts. In your time frame when do you see those decisions being taken and publicly announced?

Mr MAGUIRE: My estimate in terms of what we would have for out years, for 2011-12 and 2012-13, we would have very clear goals for our budget saving strategies by the end of this financial year, and from that we would predict we would start making savings from 2011-12 onwards.

3759 The CHAIRPERSON: So by June of this year, the 2011-12 and 2012-13 savings for the Attorney-General's Department will be clear and publicly known, and then through the next 12 months you will resolve the issues for 2013-14?

Mr MAGUIRE: That would be the strategy, yes.

3760 The Hon. J.A. DARLEY: As a result of this restructuring, can you tell me how many positions have been or will be abolished during 2010-11?

Mr MAGUIRE: For the restructure [of building communities], our estimates are that we will be losing about 17.6 FTEs for this current financial year.

3761 The Hon. J.A. DARLEY: And have all those people been offered TVSPs?

Mr MAGUIRE: Some of the positions we are losing and we are not filling vacancies. When vacancies arise, we take a very keen look at exactly what the role is and whether the service can be provided by other means. We don't fill vacancies that we don't have to, so a number of vacancies were not filled. My information thus far is that about 10 FTEs have been offered TVSPs, and the rest of the 17 are from vacancies not being filled.

3762 The Hon. J.A. DARLEY: My office has been advised that a position was abolished and they were not offered a TVSP but offered another position in OCBA that they are not comfortable with; is that the normal practice?

Mr MAGUIRE: The practice in trying to manage a department is, if we have a position that falls vacant—and there is another area in the department, maybe in OCBA (and we look across the department)—that needs filling, and we can afford to reduce in another area, we take the opportunity to do that. The individual, if they have the skills and so forth, is offered a departmental position. We take a view from a departmental position rather than the individual's position. The answer is: yes, we try to mix and match to get the best outcome for the department.

3763 The Hon. J.A. DARLEY: If the person is not comfortable with the position, are they then offered a TVSP?

Mr MAGUIRE: Not necessarily. We do not see the TVSP as just a giveaway. My role is to make sure that we get the best outcomes for the South Australian community. Now, if the individual would prefer a TVSP, that is not a high ranking for me in terms of offering TVSPs. It is the skills and competencies we need inside the department to deliver the service. It is not a free-for-all for TVSPs. We take a different approach. We just do not broadcast, 'Put your hand up if you want a TVSP.' We have a role and a service to provide, and if we have the skills inside the department—and it may be this individual you are talking about—then we try to fit them into the vacancy that is in the department.

3764 The Hon. J.A. DARLEY: You are not fitting them, you are forcing them into the position, aren't you?

Mr MAGUIRE: Well, I can't talk about an individual. I would imagine that there would have been discussions. I cannot individualise the conversation.

3765 The Hon. J.A. DARLEY: I am talking only about the principle.

Mr MAGUIRE: The principle is that we try to mix and match the individual skills; and, yes, we would like them to be keen to do the job. Of course, it would be foolhardy to have an individual forced into a position and they just cannot perform the role.

3766 The Hon. J.A. DARLEY: Absolutely, because you would not get the result you are looking for.

Mr MAGUIRE: Yes, but the TVSPs are not there as a free giveaway. That is just not how we approach it.

3767 The Hon. J.A. DARLEY: No, but surely you are not going to get the right result if you force a person into a position they do not really want? That is the point that I am making.

Mr MAGUIRE: I can understand your position, and we can't talk about individuals, but I would expect our managers to manage that process.

3768 The CHAIRPERSON: We will move to corrections and then to SAFECOM. Mr Severin, the same advice from the department's portfolio indicates that you have to find \$8.3 million in savings by 2013-14. There has been recent publicity about escapes from correctional services' custody. Is this \$8.3 million in savings going to place even further pressure on your department in terms of preventing any further examples of escapes that we have seen in recent weeks from correctional services' custody?

Mr SEVERIN: There is absolutely no relationship between operational incidents that, unfortunately, do happen (in a very safe and secure system, I might add, otherwise) and the required savings targets. If I could just outline that the majority of the savings targets will be achieved by reduction in full-time equivalents, but they are not affecting front-line staff. So, we do

not reduce our correctional officers or our community corrections staff who provide direct services to prisoners and offenders and who ensure that the orders of the courts and the Parole Board are met.

In 2009-10 we reduced by 16.6 FTEs, and in 2010-11 we reduced by a further 13.4 FTEs, all of which relate to the original savings targets that were set a couple of years ago at 30 FTEs for the department. We have most significantly consolidated our administrative functions in the correctional operations by moving from a distributed admin arrangement whereby every prison and every community corrections office had a dedicated admin team to four correctional business centres.

Those correctional business centres are located as follows: one in Port Augusta, which looks after Port Lincoln, Whyalla, Port Augusta and Port Pirie and all the associated community corrections offices in that region; one is located at Yatala, which looks after the northern metropolitan area of Adelaide; one is located at Edwardstown at our community corrections office there, which looks after the community corrections southern metropolitan area and the Adelaide Remand Centre; and one is located at Mobilong, Murray Bridge, which looks after the administrative arrangements for the southern country area right through to the Mount Gambier office in Mount Gambier for community corrections.

The implementation of this initiative has and will result in a reduction of 13.8 staff initially, which amounts to about \$877,000 recurrent, and there will be a phase 2 of the business centre project, which will look at consolidating prison stores, improved procurement processes for prison operation (such as canteen and stores) and more efficient canteen management. This is one of the most significant savings initiatives that is all but implemented now. The last business centre that is coming on-line very shortly is the one in the northern metropolitan area.

In addition to this initiative, we are obviously now looking at business improvements, so it is not only a savings measure but it actually allows us to consolidate our training and professionalisation of staff to four centres rather than having to duplicate that service everywhere else, and it also gives staff a much better career path.

So, while a change of this magnitude is not easy, it has, by and large, been achieved through a lot of communication and consultation with staff. Obviously, given that we are highly industrialised environment, we obviously needed to ensure that the PSA was across the issues and was able to contribute, as much as that was possible, to implementing this process.

In addition to the correctional business centre initiative, we are looking at the introduction of more efficient rosters. The process is well under way at Yatala. I think it is fair to say that the rosters that have been in place for many decades there are less than efficient and produce a very awkward distribution of shifts on days like weekends when, obviously, the penalties are much higher.

We are looking at a much better distribution of spare officers on the roster which should eliminate the need to budget overtime. However, the bottom line in South Australia, in that regard, is not necessarily unique but one of a few systems. Every shift in a prison is filled on a daily basis so if somebody calls in sick a person is called in on overtime to cover that shift, so we need to ensure that our spare officers are rostered equitably across the roster so that we can maximise the use of spare officers when we have absenteeism.

3769 The CHAIRPERSON: Mr Severin, is it correct that the Productivity Commission shows that of only five escapes from secure custody last financial year, three of those occurred in South Australia?

Mr SEVERIN: We had three escapes from secure custody last financial year and all three were hospital escorts; two under the guidance of G4S (the contracted service provider for hospitals) and one from staff at Port Augusta prison. Fortunately, in all three cases, the prisoners were apprehended reasonably quickly. To outline that by way of background rather than to make any excuses for escapes, quite clearly prisoners on escort are a vulnerability for any correctional system but our prisons are safe, secure and very well managed. Also, through electronics, we are in a state where we don't have the magnitude of escapes that we had at the turn of the century, where there were up to 35 escapes a year, which is quite clearly due to significantly improved

systems within the prisons. I am not across the details of other jurisdictions but, clearly, last financial year—

3770 The CHAIRPERSON: You have not seen the Productivity Commission report?

Mr SEVERIN: I certainly have seen the Productivity Commission report.

3771 The CHAIRPERSON: Is it correct that of only five secure custody escapes, three of them occurred in South Australia?

Mr SEVERIN: If that is what the statistic outlines, then that is correct.

3772 The CHAIRPERSON: So, assuming in other states they have to transport people and they have all the same sorts of issues that we have, is it budget pressures and budget cuts which is causing this high incidence of secure custody escapes relative to the other states and territories?

Mr SEVERIN: There is absolutely no relationship between our budget situation and the occurrence of incidents. We continue to resource our escorts as required. Obviously, following the recent incidents of last week, on a hospital escort, we have again increased security measures, as we do. We don't advertise those and placard those because they are, obviously, highly sensitive but they were directly related to ensuring that we have a situation where we don't have a recurrence of these types of incidents.

3773 The CHAIRPERSON: So, if it's not budget related, can you offer the committee any explanation as to why, in your view, three out of the five secure custody escapes occurred in South Australia?

Mr SEVERIN: Obviously, we conducted an investigation into all three of these incidents and, in the case of the G4S incidents (and this has been well publicised as well), there was clearly a human error that occurred, and subsequently the contractor was fined or had a reduction in its service payments as a result of that. So, it was clearly a mistake made by individuals who—

3774 The CHAIRPERSON: Is this the one in 2010-11 or are you talking about 2009-10?

Mr SEVERIN: I'm talking about 2009-10.

3775 The CHAIRPERSON: Okay.

Mr SEVERIN: The investigation identified some shortcomings there. That has subsequently been rectified. There has been a very comprehensive review of the operating procedures of the contractor undertaken which identified a couple of inconsistencies that have been subsequently addressed.

The escape relating to the prisoner under escort from the Port August Prison identified that, again, there was an officer who stopped, and should not, and should have continued escorting the prisoner. The prisoner took an opportunity, as a result of that.

Subsequently, we have introduced a range of other measures, including the double handcuffing of prisoners when they are walking on escort, meaning that they are handcuffed to one officer. I am talking about the secure custody prisoners; I am not talking about low security prisoners. They are handcuffed to an officer anytime they walk through a public space—hospital or to a car park, etc.

3776 The CHAIRPERSON: What was the financial penalty that the private contractor was hit with?

Mr SEVERIN: My understanding is that it was a service reduction of \$50,000. The contract at the time was managed by the Attorney-General's Department. It is now managed by the Department for Correctional Services, but my understanding is that the reduction in service fee was \$50,000, as provided for under the contract.

3777 The CHAIRPERSON: I assume there is a netting off. Are there bonuses and penalties under the contractual arrangements, so that the contractor receives additional payments if it meets certain requirements and then has netted off against it any penalties?

Mr SEVERIN: There are no bonus systems incorporated into the contract. That is—

3778 The CHAIRPERSON: Only penalties.

Mr SEVERIN: There is just a penalty that exists.

3779 The Hon. S.G. WADE: In relation to the chairman's questions in relation to the productivity report for 2009-10, how many secure custody escapes have been noted in the 2010-11 year? I appreciate we have not reported to the Productivity Commission yet, but how many in this financial year?

Mr SEVERIN: The financial year is still underway. Obviously, I am aware of the incidents that we did have, so we had—

3780 The Hon. S.G. WADE: My understanding is that last financial year there were three, this financial year there have already been four. Considering that, in the last financial year, South Australia was the only state that had more than one escape—we constituted 60 per cent of the national escape rate and we have gone from a bad rate to a worse rate—does that suggest that the measures you took in 2009-10 were not adequate to ensure security?

Mr SEVERIN: We have had two escapes from secure custody, and we have yet to finally establish an escape of two prisoners from open custody, so they are quite different statistics in the Productivity Commission report.

3781 The Hon. S.G. WADE: Well, in that regard, how did you count last week's escape? That was an escape from secure custody. He didn't leave the hospital precincts, but he was out of control.

Mr SEVERIN: It was certainly an attempted escape from secure custody; that is exactly right.

3782 The Hon. S.G. WADE: So, you won't be reporting that as an escape; you will be reporting it as an attempted escape?

Mr SEVERIN: It depends very much on the charges that the police are referring. They have counting rules which, of course, we follow and they are the same rules for every jurisdiction in Australia. I am not entirely familiar with the counting rules for the Productivity Commission when it comes to escape but, certainly, in terms of the immediate reaction and immediate action that we are taking, we are treating it as a serious breach of security. Subsequently, we are obviously employing some measures to prevent a recurrence of this type of incident.

3783 The Hon. S.G. WADE: While we are on the Productivity Commission, I notice that South Australia was the only state that failed to report its prison utilisation figures to the Productivity Commission and that we stopped doing that in the 2008-09 financial year. The last available figure shows that we are almost 32 per cent overcrowded and that, by far, leads the nation. Why have we stopped being able to count prisoners?

Mr SEVERIN: It is not about stopping to count prisoners. We are not the only jurisdiction; there is at least one other jurisdiction that has also not provided the data. This comes down to the counting rules. Very clearly, we have an operational capacity in our prisons, which is the design capacity, plus approved double-ups and additional capacity. There is no provision in the Productivity Commission report to account for that.

So, I have decided, because it really skews the objective results, that it was not consistent with the applied counting rules and the way we actually are funded. We are funded to accommodate every prisoner that we have in the system and that has been the basis for many, many decades or years. The funding is based on the design capacity of the system, plus approved additional capacity, which we obviously achieve through double-ups.

3784 The Hon. S.G. WADE: My understanding is that the Productivity Commission report on government services is managed by a cross-jurisdictional committee that agrees the rules, so presumably a cross-jurisdictional committee of correctional services administrators

decided that those code and counting rules are appropriate but South Australia thinks that it looks bad so they choose not to report.

Mr SEVERIN: It is actually a committee that is made up across government rather than across correctional services. There is certainly some discussion underway to introduce another category of counting which is the operational capacity and, of course, once that is settled—and this takes years to agree across eight jurisdictions on the change of counting rules—but once that would be agreed to introduce the category of operational capacity, there would be no reason for South Australia not to report the data.

3785 The Hon. S.G. WADE: Could you advise the committee what we would have reported as prison utilisation rates for open, secure and total in 2008-09 and 2009-10 if we had submitted?

Mr SEVERIN: I wouldn't be in a position to do that, certainly not. I haven't even got the figures in front of me.

3786 The Hon. S.G. WADE: I did intend that as a question on notice.

Mr SEVERIN: We can certainly endeavour to produce that data, but it is not data that we actually keep, so I would need to check if we have an ability to actually retrospectively for two years produce that data.

3787 The Hon. S.G. WADE: It would surprise me that you have been reporting it for well over a decade and you might have stopped even collecting it, but if you could take that on notice.

3788 The CHAIRPERSON: Just on corrections, before we move to SAFECOM, is there a review of prisoner reclassification currently being undertaken and, if there is, could that possibly mean a reduction of correctional services officers needed to supervise some prisoners?

Mr SEVERIN: No, there is no review of prisoner reclassification systems being undertaken. We always review the appropriateness of a classification for a prisoner and, if it is considered that a prisoner is underclassified or overclassified, we will adjust, but that is done through very robust and highly accountable mechanisms that obviously at all times takes account of the fact to ensure that we meet our safety and security requirements. There is no system underway to reclassify prisoners and there is certainly no system in place to look at a reduction in supervision levels for prisoners on escort.

3789 The Hon. S.G. WADE: Actually, on that point, I was just wondering whether the review on prisoner transport arrangements might well be including a consideration of the processes by which prisoners are classified or reclassified immediately before transportation?

Mr SEVERIN: Not to my knowledge. We have a classification system which is obviously quite separate from the transport systems. However, depending on the level of classification, certain requirements apply to supervision of prisoners under escort.

3790 The Hon. S.G. WADE: The reason why I thought there might be such a review was that there was an allegation made that, in one of the recent escapes, the prisoner's classification had been downgraded such that they would have been able to be transported by the outsourced provider.

Mr SEVERIN: Not to my knowledge.

3791 The Hon. S.G. WADE: When was the prisoner transport contract renewed?

Mr MAGUIRE: We will take that on notice.

3792 The Hon. S.G. WADE: In that context, I appreciate that it would be inappropriate for you to tell us what the quantum of the contract is, but could you tell us the percentage increase or decrease in the contracted payments as a result of the new contract versus the old contract?

Mr SEVERIN: I haven't got that figure but the contract value at the moment is around \$9.18 million a year. However, that is a contract that spans across five agencies. Corrections is obviously the largest consumer of that contract, but we also have families and communities, health, the courts and police involved in the contract.

3793 The Hon. S.G. WADE: What proportion of transports are currently done by DCS staff because the classification is too high for a private contractor?

Mr SEVERIN: I would have to take that on notice.

3794 The Hon. D.W. RIDGWAY: In relation to the financial penalties that are suffered by a breach, has that changed at all in the new contractual arrangements?

Mr SEVERIN: Again, I would have to take that on notice, but not to my knowledge.

3795 The Hon. P. HOLLOWAY: How many other states have privatised their prisoner transport systems in the way that South Australia did back in the mid-nineties?

Mr SEVERIN: There is no other state that has such an extensive privatisation of prisoner and offender movement in Australia. There are a number of states that have smaller escort contracts which only relate to correctional services. This is by far the most complex outsourcing arrangement of prisoner movement in Australia.

3796 The Hon. P. HOLLOWAY: And that is essentially the same as what occurred in the mid-nineties?

Mr SEVERIN: Yes, my understanding is that that is when the contract started and it has continued in the same way until now.

3797 The CHAIRPERSON: When the contract came up for renewal, was it your advice to the government that it should be renewed, rather than looking at alternative mechanisms?

Mr SEVERIN: As always, before we undertake any of these procurement processes, there is a reassessment undertaken to establish the value for money of any arrangement that is in place; that was done. It was seen that the contract has, by and large, provided good value for money over its life. Therefore, it was actually a competitive tender, but other tenderers withdrew from the process and it ended up being finalised by renegotiation based on the fact that the tender specifications had not actually changed. So, the decision at the time that government took was to engage in a renewed outsourcing of the prisoner movement contract, which then subsequently resulted in G4S successfully renegotiating the contract.

3798 The CHAIRPERSON: So in that process of cabinet reconsideration of whether there was value in continuing with the outsourcing, did you have to compare what the cost would be if you went back and did it all yourselves, within the public sector?

Mr SEVERIN: To my knowledge, that exercise was not done for the last renewal. I am not aware if it was undertaken when the contract was previously renewed. But, to the best of my knowledge—and this is not a process that Correctional Services was responsible for. The process at the time was the responsibility of the Attorney-General's Department. The contract was managed by a centralised unit within the Attorney-General's Department, but we are certainly a partner to the contracts.

3799 The CHAIRPERSON: So, Mr Maguire, was an assessment done in terms of value for money? Was it cheaper and better to continue with the outsource to a privatised arrangement, as opposed to taking it back into the public sector?

Mr MAGUIRE: I am not aware of the most recent renewal, but the one before that, I am pretty certain they had quite a comprehensive look at: what would the government provide the service for, vis-à-vis a private organisation?

3800 The CHAIRPERSON: And that was done in 2005? Was it a five-year contract?

Mr MAGUIRE: Three or four-year. Yes, it would have been about that.

3801 The CHAIRPERSON: So can you take that on notice: the date of that reassessment, and whether that assessment was done by the Justice portfolio, or Attorney-General's Department, at the time.

3802 The CHAIRPERSON: Just a final question, going back on the Productivity Commission. There have been claims in the media today by Correctional Services officers that there have been a number of, what they called 'escapes'—perhaps the Productivity Commission

and you don't deem them to be escapes—from hospital, where they end up in the lift and then get re-caught, or they end up in the car park of the Royal Adelaide and they get caught. Is it correct to say that, if they occur, they would not be deemed to be escapes from secure custody, under these figures?

Mr SEVERIN: The way this was reported is absolutely inaccurate. No prisoner is ever supervised by MSS, who is the security service that, I understand, the Health Department employs. I have absolutely no knowledge as to what happens there. I assume that they are difficult patients, rather than prisoners who are detained under whatever arrangement. Any prisoner escort—any prisoner escort in South Australia—is either undertaken by G4S under contract, or by the Department for Correction Services; never by any third party.

3803 The CHAIRPERSON: If I could move just on to SAFECOM quickly, to wrap these up. Mr Place, the department portfolio has advised us that the total budget savings for SAFECOM was \$800,000 this year, but it jumps to \$4.1 million by 2013-14, with similar big increases for each of the constituent agencies (MFS, CFS, and SES). The details of the cuts in 2012-13 and 2013-14: is it similar to the Attorney-General's Department, that work is still occurring, and they will be announced sometime in the near future, or have you concluded all of your decisions about cuts in those particular financial years?

Mr PLACE: You mentioned the cuts to the SES, CFS and MFS? Did I hear you correctly?

3804 The CHAIRPERSON: Yes, in the advice we have received, for example, MFS is listed separately from SAFECOM, and its cut this year is \$567,000, and it jumps to \$1.68 million by 2013-14, with similar jumps for each of the constituent agencies. But the SAFECOM itself was shown with a \$816,000 cut this year, jumping to \$4.1 million.

Mr PLACE: My understanding was that the SES and the CFS were exempt from any cuts under this—unless you are referring to the previous mid-year budget review.

3805 The CHAIRPERSON: Well, the answer from the department is: the aggregate existing and new savings numbers for the justice portfolio. So, maybe they were existing cuts that had been reported.

Mr PLACE: Yes, I think they were. You are correct; the SAFECOM board has approved the strategy and will approve in a couple of months the workforce plan that takes us up to the start of the 2012-13 year. So, our FTE reductions up to that point are known, and we are working through them with the people involved. The board this year is working on the 2012-13 and 2013-14 years, looking at a strategic approach as to how we will deal with those further next level cuts.

3806 The CHAIRPERSON: For 2012-13 and 2013-14, when would you envisage your making the decisions and their becoming known to your agency and your constituency?

Mr PLACE: It's probably worth maybe going back to how we did the others, because we will just repeat the process again. We completed a very comprehensive consultation process with all those stakeholders—the board, the emergency service organisations and industrial and volunteer representative bodies. The objective of this process was to determine the priority of the services we deliver and to enable any workforce reductions to be targeted at those areas where our stakeholders thought they were of lesser priority. So, we worked through a fairly comprehensive approach. We are very mindful of our obligations under the Fire and Emergency Services Act. The outcome was designed in conjunction with our stakeholder agencies. So, in essence, it is minimising the impact on our stakeholders. We will be going through a similar process this year with those stakeholders.

3807 The CHAIRPERSON: Mr Maguire earlier outlined the rigorous process the portfolio adopts in relation to offering TVSPs; that is, they are not a right and entitlement and you need to protect the money, etc. The information provided to me is that the MFS had establishment and funding for eight fire commanders but for a significant period of time had filled only six of them; that is, there had been two fire commander positions. There is a copy of an SAP. What's that—a service something directive?

Mr PLACE: It's a sort of name for their operational policies.

3808 The CHAIRPERSON: SAP No. 29-2008, appendix B, which gives the management hierarchy under Chief Officer Grant Lupton at the time, and then it lists the six regional fire commanders in terms of the six positions. The budget, I am advised, meant that there were meant to be cuts of two of those positions. The obvious conclusion was that there were two positions that were unfilled; that would be the logical choice: you just wouldn't fill those positions. Yet on 17 December last year, three people were appointed to the position of Fire Commander, effective from 8am on 22 December in order of merit—this is service directive No. 67/2010.

So, facing the position of having to cut two fire positions, in late December the MFS appointed three new people to these positions, and there was a further vacancy. I guess my question to you is: has the end result of that been that TVSPs are to be offered to two of those fire commanders, having just appointed three new people, or are we going to jump from six fire commander positions to eight—that is, in that directive I outlined to you, there were only six fire commander positions, jumping it to eight? The suggestion that has come to me (and that is why I am asking you) is that it has been to offer TVSPs. Can you advise the committee your knowledge of—

Mr PLACE: Firstly, I think there are two genuine reductions in the overall workforce numbers in the MFS. There have been some technical issues between what is in (and I might get the wrong terminology here) an approved workforce strategy, and what is locked into the EB arrangements with the UFU. They are the numbers they have been working on. There were eight positions for district commanders, and now they are going down to six in their workforce plan; because they hadn't funded two of those positions, it might have shown a slight anomaly. We are currently dealing with Treasury and Finance just to ensure that everyone understands what is behind this and that we are doing it the right way. So, I am happy to take on board—

3809 The CHAIRPERSON: So, have TVSPs been offered?

Mr PLACE: I believe one has.

3810 The CHAIRPERSON: And accepted?

Mr PLACE: I believe so. The other one, I don't think so.

3811 The CHAIRPERSON: So taxpayers are paying for a TVSP when MFS, just before all this was to be tidied up, just before Christmas, offered three new people promotions to fire commander positions?

Mr PLACE: I think MFS has acted under the understanding of the EB arrangements documentation in good faith and that was how they approached their TVSP program. I understand Treasury is actually agreeing with them at the moment, but I haven't seen that formally.

3812 The CHAIRPERSON: Isn't this just a rorting of the TVSP arrangements? These positions were vacant. As I said, the directive I quoted you goes back to 2008, so you might like to take on notice and come back to the committee. Even though they had funding, evidently, for eight, they have operated for some time—I would like to know for how long—with only six fire commanders. Just before the TVSPs were offered, just before Christmas, there were three promotions to fire commander positions, and now we find one TVSP has been offered and accepted and another one sounds like it has been offered but maybe it has either been withdrawn or hasn't been accepted.

Mr PLACE: I don't believe the second one has been offered yet.

3813 The CHAIRPERSON: Hasn't been offered yet?

Mr PLACE: To my understanding, with the information I have. I will take that on notice, but I understand the answer is a technical one and we are working through Treasury on that. My understanding is MFS has been frank and up-front in its disclosure about this information.

3814 The CHAIRPERSON: Is this only because complaints have been lodged?

Mr PLACE: No, I don't think so.

3815 The CHAIRPERSON: Are you aware of complaints having been lodged about the whole process?

Mr PLACE: I am not aware of any complaints. They have not come to my attention, no.

3816 The CHAIRPERSON: Would they, or would they go to the head of the MFS?

Mr PLACE: Quite likely to the head of the MFS, but I would have thought, had they done that, then we would have known about it.

3817 The CHAIRPERSON: Can you take on notice a number of issues in relation to this, that is, for how long has the MFS operated with the six fire commanders? Who took the decision in relation to the appointment of three new fire commander positions just prior to Christmas? Did that come through SAFECOM and through to the minister or was this only handled at the MFS level? What is the cost of the TVSP that has been paid out to one of the fire commander positions, and how does it meet the government's TVSP arrangements, that is, that there has to be a net reduction in positions to justify? Mr Maguire earlier made it quite clear that there is no right; you do not just hand out TVSPs within your portfolio. How does the MFS justify the payment of taxpayers' money for a TVSP, given the statements Mr Maguire made earlier in relation to government policy on TVSPs?

Mr PLACE: My understanding, as I have said, is that MFS has gone through a fair and rigorous process here, so I will get back to you with the detail of those questions.

3818 The Hon. J.A. DARLEY: Mr Place, can you tell me what was the age of the officer who accepted the TVSP?

Mr PLACE: From MFS?

3819 The Hon. J.A. DARLEY: Yes.

Mr PLACE: I would have to take that on notice. I am not sure.

3820 The CHAIRPERSON: There is one question I omitted to ask Mr Severin on corrections. He would be disappointed if I did not ask it. There was an earlier controversy in relation to the provision, at significant budget cost, of flat screen TVs to prisoners at a time of budget cutbacks. Without revisiting all of that debate, I think the minister and yourselves indicated the prisoners would have to pay for it, but at the time no detail was given as to what the existing payment arrangements were and what the new ones would be. Given we are a couple of months down the track now, can you advise the committee what will be the payment required of prisoners for the flat screen TV offer?

Mr SEVERIN: The details of this are still being finalised. The tenders are still being evaluated for the acquisition of those televisions, so we are not talking about a system that has been implemented at this point in time. Unfortunately there was a lot of miscommunication at the time, and I might just use the opportunity to clarify a few of the facts that were, unfortunately, wrongly communicated. The total budget for the acquisition and installation of televisions is \$428,000. In addition to that, there was a cost to actually convert from analog to digital and we, with the switching off of analog in the regional areas already, had to do that in Port Lincoln, Port Augusta and Mount Gambier prisons and Cadell Training Centre. That has been finalised.

3821 The CHAIRPERSON: What was that additional cost?

Mr SEVERIN: The cost was \$416,000—both of that was approved as part of the mid-year budget review 2010-11.

3822 The CHAIRPERSON: So the total of those two was \$850,000 approximately?

Mr SEVERIN: Thereabouts.

3823 The CHAIRPERSON: There are two components?

Mr SEVERIN: There is an absolute essential component—the other one was the decision to acquire these TVs. At this point we have a very mixed system, so we have an arrangement where in some prisons there is a hire scheme in place, like Cadell and Mobilong, and

in other prisons televisions are provided by the department to prisoners, and in others the prisoner has to provide the television themselves. With the advent of the digital period the opportunity existed to significantly improve the security we have surrounding televisions; the tender specifically requires that these televisions have to be clear plastic, see-through, so that you cannot hide or conceal contraband. Also the fact that a television belongs to a cell and is not part of a mixed arrangement, as we have at the moment, is a clear improvement.

While I totally appreciate and have commented on and can understand questions are asked, in light of what is happening right now, and the fact that we are moving from analogue to digital, certainly in correctional operational and security terms it is a very sensible improvement. We are not an orphan here: most other states have long moved into this space and have hire schemes in place. At the moment if you are at Yatala, the Adelaide Women's Prison or the Remand Centre the television is provided free of charge—that was, unfortunately, very much miscommunicated. In future there will be a rental to recoup costs, details of which are currently being finalised by our financial services group, and we also have taken advice from the Crown Solicitor in terms of the so-called contractual situation that that would result in.

Obviously there will be a sensible fee that will be commensurate with the capacity of prisoners to get allowances or earn money through work, but I do not want to speculate on the detail at this point. Certainly once the arrangements are finalised there is no reason not to communicate the exact details of the 'for lease' policy.

3824 The CHAIRPERSON: When the decision was taken in the budget to expend the \$400,000 on the machines, had the decision been taken at that stage that prisoners would pay a rental for it?

Mr SEVERIN: I had always intended that there would be a lease fee for these televisions once we actually go to digital.

3825 The CHAIRPERSON: Was there ever anything documented in the department that indicated that?

Mr SEVERIN: I am not familiar with any documentation, but we are also looking at some legislative amendments that have been approved by cabinet. One actually includes the establishment of an amenities account; this is the account where any moneys derived from prisoners needs to be placed and can only be spent again on prisoners. The intention is, for any lease arrangement, for those moneys to go into the amenities account and then be used to buy televisions that have to be replaced, amongst other things.

3826 The CHAIRPERSON: When did you as a department commence work on establishing a rental scheme?

Mr SEVERIN: The work on establishing the rental scheme only commenced in recent times because it was not work that actually needed to be undertaken any earlier because we did not have a rental scheme.

3827 The CHAIRPERSON: Is it not correct that it did not start until after the controversy in the media?

Mr SEVERIN: We obviously talked about the rental scheme.

3828 The CHAIRPERSON: The actual work did not start until after the controversy?

Mr SEVERIN: I would not be in a position to actually say when it physically started or when was the exact time, but even when we talked about the establishment of the amenities account, which is a submission that cabinet approved and which was publicly communicated (the bill is being drafted at this point in time), I certainly had every intention to look at this as one of the changed measures we were considering.

We also have other arrangements with the prisoner telephone system, where prisoners are actually charged a fee to make telephone calls, which is the cost that we pay to the telephone service providers. We have canteen arrangements in place whereby prisoners buy their goods, and there is a handling cost attached to those goods.

So, there is a whole range of areas where we do charge prisoners for certain services. Some of them are entirely cost neutral, such as the telephone system, and others cover costs that the department has. Any moneys that are left over are placed in the amenities' account, which we are now going to legislate for.

3829 The CHAIRPERSON: What time line do you see the decision being taken?

Mr SEVERIN: I have just been advised by the Executive Director that by the end of this financial year we will see a—

3830 The CHAIRPERSON: When will the prisoners see the TVs—not until the next financial year?

Mr SEVERIN: Yes, that's likely. The tender is just being evaluated right now. Obviously, these televisions have to be specifically produced because they have the clear plastic casings. I cannot see that we will actually start rolling anything out until later this calendar year.

3831 The Hon. S.G. WADE: As I understood your comments, you are moving to a cell-allocated television?

Mr SEVERIN: Yes.

3832 The Hon. S.G. WADE: You don't envisage that any individual prisoner will be able to hire a television; they will be able to access only the cell-allocated television, which will be paid for out of the amenity fund?

Mr SEVERIN: If the prisoner chooses to have that television in their cell, the prisoner will have to pay for the use of that television. If they choose not to have the television in the cell, the television will simply be removed; it's not fixed, you can still remove it.

3833 The Hon. S.G. WADE: As I understood it, the amenities fund, if you like, is a series of individual accounts within a larger account, is it?

Mr SEVERIN: No, the amenities fund is established at the moment by way of departmental instruction—it has been for many, many years. It is an account where any money that is derived from a transaction with a prisoner (canteen sales, etc.) is placed there, and it can be used only for prisoner-related purposes. You can't use it for any other purposes. Generally, what is paid for out of the amenities account is sporting equipment, some arts and crafts-type equipment and books.

3834 The Hon. S.G. WADE: Just to clarify, it's income generated by the prisoner for the discretionary expenditure of the prisoner?

Mr SEVERIN: It is income that we generate through selling goods to prisoners. A notional 10 per cent margin is applied, except on tobacco. Again, this is not something that has only just happened. It has been in place, certainly, for decades. The moneys (this 10 per cent) are then placed in the amenities account; some of it pays for our cost. So, whatever is left, we place in the amenities account and it can be used only for prisoner-related purposes.

3835 The Hon. S.G. WADE: Income received by a prisoner in relation to prisoner employment—or presumably there is some capacity for external funds to be given to a prisoner?

Mr SEVERIN: Yes.

3836 The Hon. S.G. WADE: —they would not go into the amenities fund, they would go into some other fund?

Mr SEVERIN: Into the prisoner's trust account. Every prisoner under law has a trust account with us which we administer. It's not an interest-bearing account, but it is an account into which all prisoner moneys go. Prisoners can then draw on that account to make telephone calls, to purchase goods from the canteen or for any other purpose approved by the General Manager, but there would not be many more.

3837 The Hon. S.G. WADE: In broad terms, the trust account is the individual funds of prisoners, and the amenities account is the collective funds of prisoners, and so what is the

relevance of the amenities fund to the TVs? There will be money going from the collective funds to TVs?

Mr SEVERIN: Technically, the way that I envisage it—and, again, I am not the expert in terms of how this is physically done—is that moneys would come out of the prisoner's trust account and would go into the amenities account for the lease of a television.

3838 The Hon. S.G. WADE: In that sense, all the moneys for the rent of the television would be the individual's money, not collective moneys?

Mr SEVERIN: We collect money from the individual because the individual has entered into an agreement with us to have a television or to watch television. These moneys would go into an amenities account and would be used only to replace those televisions. Eventually, they would pay for themselves, basically.

3839 The Hon. S.G. WADE: To put the question another way, there would be no communally-generated funds (for example, sales from the cafeteria, the shop, what have you) that would go to the individual rental of televisions?

Mr SEVERIN: No, certainly not.

3840 The Hon. S.G. WADE: Considering you used the term 'cell allocated television', I understood the point that you were saying, 'This television will belong to this cell, not to this prisoner'?

Mr SEVERIN: That's right.

3841 The Hon. S.G. WADE: It is not uncommon to have two, three or more prisoners per space. How would that work, considering that you might have two prisoners who say, 'We can't stand television,' and you have another prisoner who says, 'I want one'?

Mr SEVERIN: We are still working through the detail. Obviously, we are looking at double-ups. I don't want to speculate on the detail but certainly they are all considerations that we are making at the moment: what if one prisoner does want to have a telly and the other doesn't, how do we manage that? That is why the work takes a little bit longer. It is not something that can just be done very quickly. One of our business managers is looking at the arrangements that happen interstate and, obviously, if there is an arrangement already in place in other state that we can copy we want to make sure that we do that, otherwise we will develop our own arrangements.

3842 The Hon. S.G. WADE: Do you envisage that each cell will have a television installed and it will be switched on once the payment is made or that the TVs will be installed and removed according to the hire—

Mr SEVERIN: I really don't want to speculate on the detail as to how it will physically happen. The principle is very clear: if prisoners want to watch television they will have to fund a rental or lease arrangement or have to enter into that arrangement with us.

3843 The Hon. S.G. WADE: Presumably that last comment was in relation to televisions in individual cells.

Mr SEVERIN: Not communal televisions.

3844 The Hon. S.G. WADE: There will still be televisions in communal spaces?

Mr SEVERIN: Certainly.

3845 The Hon. D.W. RIDGWAY: Mr Severin, do prisoners have access to DVD players?

Mr SEVERIN: In their personal possession? I'm not aware if they do have access to DVD players. They have access to CD players and the first generation of PlayStation but not any after generation because the equipment could potentially be turned into receiving data. I would have to take the DVD question on notice.

3846 The CHAIRPERSON: Let's move to a new issue. Mr Maguire, in the replies that you sent to the committee there were some questions raised about the balances in the Victims of Crime Fund. You indicated there—I think the last time before the committee—there was about

\$53 million or \$55 million in the Victims of Crime Fund. What you have indicated there is that on the current arrangements, the balance in the Victims of Crime Fund will jump from \$53 million (or whatever it was) to \$79 million to \$116 million to \$146 million to \$181 million by 2013-14. Similarly, you have then indicated the expected disbursements, which indicates that they are going to stay at roughly the same levels over that particular period.

I know my colleague the Hon. Mr Wade has some questions as well, but could you just explain this very significant increases in the balances? We had some debate last time about how much money will be collected each year by this Victims of Crime Levy. The Sustainable Budget Commissioner talked about \$23 million a year based on work that your officers had done. You then indicated that Treasury believed that it wouldn't be as much that; it knew better than your officers and it would only be \$15 million a year.

Can you explain to the committee, if there is only going to be \$15 million a year collected and disbursements are staying the same, how is it that there are \$30 million a year jumps in the balances within the fund? For example, from 2011-12 to 2012-13 there is a jump of exactly \$30 million and from 2012-13 to 2013-14 there is a jump of what looks like \$30 million to \$35 million a year. If it is only collecting \$15 million a year—

Mr MAGUIRE: If I understand the question correctly, what you have is the increase—they are the numbers we gave you. There is already a \$15 million revenue collection so the \$15 million is additional, so there's \$30 million per annum.

3847 The CHAIRPERSON: Yes, but you are spending \$16 million or \$17 million a year over the forward estimates, so it's not as if you are not spending anything. You are spending roughly the same amounts of money each year.

Mr MAGUIRE: I am advised that, we can take this on notice, but it is most likely to be the other revenue streams that come into the Victims of Crime Fund, such as asset confiscation and the like. So, that would add up to the additional revenue that you just talked about.

3848 The CHAIRPERSON: So, you will take on notice then the component parts of that. Your advice still is, based on your deferral to Treasury's better knowledge on this issue—

Mr MAGUIRE: Yes.

3849 The CHAIRPERSON: —that you are only going to raise \$15 million a year and that you have only factored \$15 million a year increase into these forward estimates in the Victims of Crime Fund balance?

Mr MAGUIRE: Yes, that's true, but in the total increase, as you have indicated, there is around about a \$30 million-\$31 million difference in growth per annum. I will come back to you to give you a bit more detail about that \$15 million that, we believe, comes from other revenue streams.

3850 The CHAIRPERSON: I am sure my colleague will ask more questions on this, but perhaps you can start off by just explaining to the committee why you are not increasing the payments to victims at all and we are accumulating a balance of \$181 million, sitting unused in this Victims of Crime Fund?

Mr MAGUIRE: Okay, we are going to go back to the last meeting and the transcript actually gives a lot of information on that. It is a Treasury decision: it is not a decision that I made. So, it is Treasury, and Treasury would advise cabinet and cabinet makes the decision. So, you need to go back to ministers to ask them why.

3851 The CHAIRPERSON: So, Treasury just wants to ferret away some \$181 million in this account for some reason unknown to you, and it is essentially a question for the Under Treasurer and the Treasurer as to why we are going to accumulate this unused balance of \$181 million in the Victims of Crime Fund?

Mr MAGUIRE: I am sure they would have their reason. Without giving their reason, because I think you really do need to talk to them, there would be some sort of actuarial assessment about what would constitute a reasonable balance in a fund where there is a lot of risk of victim payments. I would have to leave it there; that is their decision.

3852 The Hon. S.G. WADE: You mentioned your last evidence. In your last appearance, the chairman stated:

My understanding is that your experts within your area, or people who work within your area, worked with the Sustainable Budget Commission, and the report has 'Chief Executive Priority No. 1' listed on this.

That suggests that it was a departmental priority to double the levy, not a Treasury imperative.

Mr MAGUIRE: If I can give you a bit more context, I guess, from the last meeting, we did talk about a whole suite of options that were put up to Treasury and the Sustainable Budget Cabinet Committee. That whole suite of options was for them to make a decision on and one of those options was increasing the levy. There were many, many other options as well.

3853 The Hon. S.G. WADE: So, it wasn't marked as 'Chief Executive Priority No. 1'?

Mr MAGUIRE: I can't recall actually, I have to say. If I said that back then, that would be the fact.

3854 The Hon. S.G. WADE: Continuing on the chairman's line of questioning, my calculations are that, considering all the estimated outlays, you predict that, by 2013-14, the expenditure from the fund in the 2013-14 financial year will be 11 per cent of the amount in the fund. Considering that, since the last time the government doubled the levy, the levy has been in profit ever since, why would there be a need, actuarially, to double the levy yet again?

Mr MAGUIRE: I don't know. You would have to ask Treasury that.

3855 The Hon. S.G. WADE: Is the department looking at a dedicated compensation scheme for victims of abuse in state care as a way of using these funds?

Mr MAGUIRE: Well, there has already been a public announcement about that. There is a dedicated scheme, in fact, a set of criteria, I think, that the previous Attorney-General announced, but I can give you a little bit of detail about that. You might recall that, back in, I think it was, mid-last year, as an alternative to the common law litigation, there was a set of guidelines released for ex gratia payments that the Attorney-General can make for compensation, which is pursuant to section 31 of the Victims of Crime Act 2001.

The Attorney needs to be reasonably satisfied that the applicant has been a victim of sexual abuse whilst a child in state care, and the compensation, as you might recall in the announcement, was capped at \$50,000 with an initial contribution of up to \$750 for legal costs that would be associated with advising the applicants about the execution of discharge.

So, in other words, it was an alternative scheme of pursuing a common law situation and, in the end, we believe that will be a very positive outcome. A number of people, as we know, were very frightened of going through a longwinded legal process, and having an ex gratia payment, we understand, was a very positive alternative for many of these victims.

3856 The Hon. S.G. WADE: The scheme you describe was indeed announced by Attorney-General Atkinson, but it is, if you like, a scheme within the victims of crime compensation arrangements. So, do I take it that the department is not envisaging a separate statutory redress scheme as exists in other states and territories?

Mr MAGUIRE: No, we're not. At this stage, I can say we're not.

3857 The Hon. S.G. WADE: In relation to the scheme you just referred to, could you take on notice these question: how many applications has the department received from victims of abuse in state care, how many offers have been made, and how many offers have been accepted?

Mr MAGUIRE: I will take that on notice.

3858 The Hon. S.G. WADE: I appreciate that you are saying that Treasury might have its own ideas for the \$181 million, but has the department identified any other potential expenditure opportunities from the fund not currently funded?

Mr MAGUIRE: In essence, the act is quite prescriptive about where moneys from the fund can be applied, and, as to pretty much what is there now, I can give you some information about that. For example, there are ex gratia payments as we have already mentioned. There is a

victims' compensation section in the Crown Solicitor's Office to manage the victims' applications. There are grief payments and reimbursements for funeral expenses. The Commissioner for Victims Rights' salary and the modest office costs generally come out of the fund. There are some moneys going for rape and sexual assault services. There is a modest amount going to victim support services and road trauma support teams, including homicide victim support groups.

So, all in all, given that the act is actually quite narrow and prescriptive, it does limit the application of the funds and it is there designed for victims and victims' compensation.

3859 The Hon. S.G. WADE: Thank you. You did summarise those outgoings in your answer to question 4 from the last hearing. Could take on notice a request to tell us, for each of those areas, what was the actual expenditure in each of the past four financial years up to 2009-10 and what is budgeted in 2010-11. If I could go back to the chairman's comments about the difference of opinion between Treasury and the department as to what the doubling of the levy might generate, is there any information available to this point? I appreciate that we are only almost three-quarters of the way through the financial year, but is there any indication at this point—

3860 The CHAIRPERSON: Who's right.

3861 The Hon. S.G. WADE: —who's right, and what level of levy collections might be expected in this financial year?

Mr MAGUIRE: I don't have any of that information with me at the moment.

3862 The CHAIRPERSON: You can take that on notice, though. You would have a nine-month figure, I am sure.

Mr MAGUIRE: That was what I was just about to say. There is now a bit of history behind it. We are hoping also that increased levies on people who might think about speeding may actually have an impact so, as we suggested last time, we cannot predict this. Behavioural change may actually change, so we will take that on notice.

3863 The Hon. S.G. WADE: At the last hearing—and correct me if I am wrong, as I might not have this exactly right—the gist of what you stated was that there had been no decision to increase the compensation payable from the victims of crime fund; is that still the case?

Mr MAGUIRE: As far as I am aware, there has been no decision; no.

3864 The Hon. S.G. WADE: In relation to the answer to question 3, 'Supplies and services', it had a description: 'Victims' payments and related costs'. Can you tell me whether the costs of representing the victim in the proceedings come out of that line or the 'Legal costs' line?

Mr MAGUIRE: Can you go back? Are you talking about in the ex gratia payment scheme, or are you talking about some straight-up victims?

3865 The Hon. S.G. WADE: Let me just recap it then. I refer to the answers to questions on notice that you have provided out of 1 November 2010, question 3, which was:

Could you provide the nature and budgets for 2010-11 and the forward estimates of the following:

Outflows, Victims of Crime Fund;

Supplies and services grants and subsidies; and

Intragovernment transfers.

In providing that answer, you broke down the supplies and services into three components: victims' payments and related costs; legal costs; and administration. My question is whether the legal costs of the victim being represented in this process come out of the 'Victims' payments or related costs' line, or out of the 'Legal costs' line.

Mr MAGUIRE: That is actually a very detailed question. Can I take that as notice as well? I don't want to mislead the committee, but we can get back to you.

3866 The Hon. S.G. WADE: Certainly. Could you suggest why administration might have halved from 2010-11 to following financial years?

Mr MAGUIRE: Again, I can confirm this, but my understanding is that there were one-off costs. When the Commissioner for Victims of Crime was created through legislation, there was a one-off cost to set his office up, and we understand that the additional cost goes towards that.

3867 The Hon. S.G. WADE: Could you take that on notice because, I just stress, this is not a past financial year; this is the current financial year, and my understanding is that the statutory office was established two financial years ago. I am happy to take that on notice, but if you could at least give us an explanation as to why it has halved?

Mr MAGUIRE: I think it was carried over, but we'll take that on notice.

3868 The Hon. S.G. WADE: Does the 'administration' referred to in that line cover the costs of the Crown Solicitor's Office in assessing the applications by the applicants?

Mr MAGUIRE: The legal costs—I think you see that 'Point 2 Legal costs: Reimbursement'—is that what we are talking about? So, that legal cost, my understanding is that does cover the Crown Solicitor's Office cost to assess and make recommendations about each victim's application.

3869 The Hon. S.G. WADE: So, that being the case, what do the intragovernment transfers at the end of the table, which was referred to as 'Costs relating to VOC unit', which I presume means 'Victims of Crime unit', relate to?

Mr MAGUIRE: We understand it would relate to salaries and other employee-related costs for Victims of Crime unit that are recouped. We think that—and, again I can come back and confirm the amounts—the Criminal Assets Confiscation Act requires intragovernment transfer as well, and the Witness Assistance Program that is funded out of the Victims of Crime Fund also is part of that is my understanding.

3870 The Hon. S.G. WADE: Would it be possible to get a breakdown of the different elements in the intragovernment transfers section, as we have in the others?

Mr MAGUIRE: Sure; not a problem.

3871 The Hon. S.G. WADE: I would be interested to know what is the FTE in Crown Solicitor's Office unit that assesses victims of crime applications and how many of those are legal officers. In relation to answer 5, which was relating to ad hoc transfers from the Victims of Crime Fund, the answer does pick up the focus, which was transfers from the Office of the Commissioner for Victims' Rights. I was wondering if you might be able to advise whether there were any transfers in the 2007-08 financial year and the 2008-09 financial year. But, again, that was a question on notice.

Likewise, if I could put another question on notice: in relation to Victims of Crime Fund payments generally—and that's not just victims of abuse in state care, but general payments—how many applications to the fund have been received for each of the past financial years up to 2009-10? How many applications have been approved for each of the past financial years up to 2009-10, and how many payments for each—in this regard, what I am wondering about is what the spread of payments are.

So, what I imagine might be a table which shows, with \$5,000 bands from nought to \$50,000, what the payments were from the fund for each of the past financial years up to 2009-10. They are the end of my questions on the victims fund.

3872 The CHAIRPERSON: We might move to a different area. Mr Maguire, are you aware of an account within the Attorney-General's Department titled the 'Michael Atkinson Farewell Account'?

Mr MAGUIRE: No, sir.

3873 The CHAIRPERSON: Perhaps Mr Swanson, who is the senior finance person, would be aware of documents that are called AR20s, from previous experience in select committees. There is an account called the 'Michael Atkinson Farewell Account', which was

payment of funds to the 'Michael Atkinson Farewell Account' for a function being held in honour of the former Attorney-General. Does that prompt your memory?

Mr MAGUIRE: No, sir, I don't know what you're talking about.

3874 The CHAIRPERSON: Has there been a function held by the Attorney-General's Department to farewell the former attorney-general?

Mr MAGUIRE: I can't recall. Obviously, the former Attorney had one or two send-offs, but I can't recall a departmental function.

3875 The CHAIRPERSON: So, if there was a farewell, individuals would have paid their contribution themselves, or was it a taxpayer-funded farewell?

Mr MAGUIRE: I presume so. I don't know what you are talking about. I presume it would be individual. We can find out about it, but I have no knowledge of what you're talking about.

3876 The CHAIRPERSON: You didn't attend it, obviously.

Mr MAGUIRE: Well, I've attended several functions the Attorney was at, and I don't think any of them was his finale.

3877 The Hon. S.G. WADE: You may not have been invited to that one.

3878 The CHAIRPERSON: Perhaps if the secretary can show you and Mr Swanson a copy of the AR20, it might just—

Mr MAGUIRE: It reads, '21st July 2010. Payment of funds to Michael Atkinson Farewell Account, \$70.' I'll find out exactly what that fund is.

3879 The CHAIRPERSON: Can I ask Mr Swanson, is this a sort of technical description of this, that is, is this a deposit into that particular account? What does this AR20 formally record for your accounting purposes?

Mr SWANSON: Well, it records the payment of an amount of \$70 to something called a farewell account.

3880 The CHAIRPERSON: From whom?

Mr SWANSON: From the department.

3881 The CHAIRPERSON: So, the department has paid \$70 into the 'Michael Atkinson Farewell Account'?

Mr SWANSON: That would seem to be correct.

3882 The CHAIRPERSON: So, can you take on notice how much money was paid into the 'Michael Atkinson Farewell Account'? Given the sum of money involved, it would appear that it might have been a per head payment from somebody on behalf of somebody.

Mr SWANSON: I don't know. The only other option I can think of is that maybe an individual gave the money to the department in the first place, and it was then forwarded on, but I will have to take that on notice.

Mr MAGUIRE: I guess there could be many reasons for this. So, we will take it on notice and come back to you.

3883 The CHAIRPERSON: So, can you, when you take it on notice, come back as to what the accumulated funds in the 'Michael Atkinson Farewell Account' were—

Mr SWANSON: Sure.

3884 The Hon. P. HOLLOWAY: Come on, Mr Chairman!

3885 The CHAIRPERSON: —and on whose behalf the contribution—

3886 The Hon. P. HOLLOWAY: I bet they would have thrown a party for you when you went as treasurer—I can assure you of that. They would have been happy to see you go!

Mr MAGUIRE: Wherever possible, I'm happy to help. We'll see what we can do.

3887 The CHAIRPERSON: Thank you very much. I won't take much notice of the bitter and twisted—

3888 The Hon. P. HOLLOWAY: It's not bitter and twisted. It is wasting the time of this committee—

3889 The CHAIRPERSON: So, you support taxpayer funds going into a farewell?

3890 The Hon. P. HOLLOWAY: No. You don't know what it's for, you just—

3891 The CHAIRPERSON: I just asked the question.

3892 The Hon. P. HOLLOWAY: Yes, I know, you have here—

3893 The CHAIRPERSON: Well, where else would you ask—anyway, we will sort that out. Can you indicate the amount of money that was paid into the 'Michael Atkinson Farewell Account' and for what purpose it was used and, in particular, I guess the justification? There is no issue, obviously, if a farewell is held for any former minister if individuals are paying for it. However, what the justification is, as Mr Swanson has indicated, for the department actually paying on behalf of evidently an individual in relation to that particular function.

The annual report—and you have referred to it on a number of occasions in your evidence, a consolidation going on in the department to achieve the savings—refers to the launch of the 'Make a Difference' change program. Did the department employ a consultant or contractor to assist you in that task?

Mr MAGUIRE: We have employed two consultants over the last 18 months to assist in the change program.

3894 The CHAIRPERSON: The names of those two consultants?

Mr MAGUIRE: One name is Christine Locher, and she has been helping us with our strategic human resource approach, and the other consultant is a firm called Tempo, which has helped facilitate planning sessions with some of our key executives in terms of planning the future.

3895 The CHAIRPERSON: What have been the total payments to Locher and Tempo for the Make a Difference change program?

Mr MAGUIRE: I can come back to you on that—modest, I would tell you, in relative terms, but I would like to come back and give you the precise amounts for that.

3896 The CHAIRPERSON: And are the 2009-10 costs revealed in your annual report?

Mr MAGUIRE: I hope so.

3897 The CHAIRPERSON: If I can put a question to Mr Place in relation to SAFECOM: Mr Place, you will be aware of an ongoing problem SAFECOM has had with the building of a number of country fire stations and an emergency services building with a company called Unique Building Proprietary Limited. I am aware of a quite detailed letter in August of last year from David Lynch, who is the building project manager to Unique, which highlights, over 19 pages, a considerable list of areas of non-performance under the terms of the contract that was signed.

There are claims in the documentation that basic things, like insurance, public liability insurance and others, had not been taken out by the company, and a whole series of claims over the 19 pages that critical issues of the contract had not been met. This was in August of last year. I am aware that in December, I think, SAFECOM, the CFS or somebody took a decision to take the contract away from Unique Building Proprietary Limited in relation to some of the country stations. New companies, like Sarah Homes and others, were given the contracts.

My questions really relate to the management of the contract and the costs imposed, I guess, on the system. In particular, could you comment on whether it is correct that a payment of \$1.5 million was paid out in June, just before the end of the financial year, to Unique for work that had not been completed, and that you are now trying to retrieve nearly \$0.75 million from the company?

Mr PLACE: I might just introduce David Norton, who is a corporate director, for some detailed financial responses to your questions. I think it was at the Auditor-General's session in parliament where our previous minister announced the prepayment amount. I might add some context here relating to the project manager himself. Annually, the sector manages about \$23 million worth of capital projects, trucks, buildings, IT equipment, etc., and has a good record in terms of budget and project management outcomes. We have some regular monthly reporting systems, which include reports that forecast total project expenditure or other anomalies that come through the system.

This project manager had a nine-year history of sound performance and delivery in the building projects area. For a period of around two months—we believe between March and towards the end of May—this project manager, through error of judgement or some other cause, made some decisions that impacted upon the prepayments, as you have mentioned. These were not actually reported to our SAFECOM board and, in fact, in May, in a report that came through from the project manager about our building projects everything was fine. The next month, the board was notified that another project had gone considerably over budget. On investigation of that matter, we discovered the prepayment amount that had been made by this same project manager.

3898 The CHAIRPERSON: When do you say you discovered the prepayment?

Mr PLACE: I think it was about September.

3899 The CHAIRPERSON: You can take it on notice during the meeting if your colleague can find it and advise us.

Mr PLACE: 28 September is the date I have. I was advised that the project manager had authorised a prepayment to Unique. We uncovered that while we were investigating the—

3900 The CHAIRPERSON: Surely this particular person does not have the authority to make a payment of \$1.5 million as a prepayment to a firm. Was it authorised by other senior officers above the level of this particular person?

Mr PLACE: No, he did not make a one-off payment but several payments of smaller amounts. They were outside not only his authority but also his delegated authority for the amount.

3901 The CHAIRPERSON: So it is your evidence to this committee that no other officer more senior to this officer was aware of, or approved in any way, the payment?

Mr PLACE: That is correct.

3902 The CHAIRPERSON: So, this is September: what then happened after September?

Mr PLACE: The project manager was immediately suspended. We already had Justice internal audit engaged to look at the project that had been overspent and as part of the early investigations had found this prepayment matter. So the project manager was immediately suspended from duty pending the investigation and further consideration. He actually resigned during the course of the investigation.

I advised our minister, the Minister for Emergency Services, the Auditor-General, the Under Treasurer and the Crown Solicitor. All authority of that project manager was revoked. I further requested that the Crown Solicitor engage the Government Investigations Unit to investigate this matter. I believe that investigation is complete and that evidence has been passed on to the Anti-Corruption Branch of the police. I probably can say no more. I have heard no more feedback on that matter.

3903 The CHAIRPERSON: When did the person resign?

Mr PLACE: It would have been some time shortly after 28 September. I would have to get back to you exactly. As this unfolded, as soon as we became aware of the significance of it, he was suspended immediately.

3904 The CHAIRPERSON: So the state of the buildings is that other contractors have been given various contracts?

Mr PLACE: We worked with the Crown Solicitor's Office and finished the contracts with Unique, and we appointed, through a process, Sarah Constructions, and they have been working on the Wilmington, Hamley Bridge and Balaklava projects since just before Christmas.

3905 The CHAIRPERSON: When did the department seek to retrieve \$750,000 of the prepaid \$1.5 million?

Mr PLACE: We are working with crown law through that process now.

3906 The CHAIRPERSON: No, when did you first seek repayment? The information provided to me is that the department has been asking for some time now for the \$750,000 to be repaid.

Mr PLACE: Our first request to the company was early October, but I can confirm the date.

3907 The CHAIRPERSON: Which was after the investigations?

Mr PLACE: The investigations were still underway.

3908 The CHAIRPERSON: That was first occasion you asked for repayment. Has part or all of that money been repaid?

Mr PLACE: Not yet, no.

3909 The CHAIRPERSON: And is that the subject also of court action?

Mr PLACE: Crown law is working with us through that process.

3910 The CHAIRPERSON: There are no proceedings issued at the moment?

Mr PLACE: No.

3911 The CHAIRPERSON: Is there a counterclaim from Unique against the department?

Mr PLACE: Not formally, no—not that we are aware of.

3912 The CHAIRPERSON: You have been advised—

Mr PLACE: No.

3913 The CHAIRPERSON: You have not been advised that Unique are counterclaiming against the department?

Mr PLACE: Not formally, not that we are aware of, no.

3914 The CHAIRPERSON: What is 'not formal'? Have you been informally advised?

Mr PLACE: There is nothing in writing.

Mr NORTON: There is no action.

3915 The CHAIRPERSON: There is no action, but have you been advised? There is no action from the government either, is there, but you have been advised that Unique will counterclaim, but there is no action instituted yet?

Mr NORTON: That is correct. We have received advice from Unique.

3916 The CHAIRPERSON: You have received advice from Unique?

Mr NORTON: Yes, we have received a letter from Unique.

3917 The CHAIRPERSON: Saying that they will claim against you?

Mr NORTON: Yes.

3918 The CHAIRPERSON: Is there not a letter of claim from Unique against the department listing their claim?

Mr NORTON: There is a letter, yes.

3919 The CHAIRPERSON: It lists their claim?

Mr NORTON: Yes, it does.

3920 The CHAIRPERSON: There is a claim from the department against Unique and one from Unique against the department, but at this stage neither has progressed to the stage of proceeding before a court?

Mr PLACE: That's correct.

3921 The CHAIRPERSON: That's correct, okay. In relation to one of the contracts, the surf lifesaving club facility down at West Beach (which has been caught up in this), is it correct that that is significantly over budget and that significant parts of the original proposal, such as the landscaping and the outside part of the proposal now can no longer be afforded, and that it will have to do with no landscaping until it can find money to do the landscaping and a variety of other things as part of the original project?

Mr PLACE: We do not absolutely have that evidence. It is likely that is the case. The contract is between surf lifesaving and Unique directly. That is a matter of negotiations between those two parties.

3922 The CHAIRPERSON: That does not come under the umbrella contract that the department had with Unique in terms of the CFS stations and others?

Mr PLACE: No, it does not.

3923 The CHAIRPERSON: Can you take that on notice just to clarify that, because the information provided to me was that there was a whole series of elements to this deal, including a training centre in the hills, the surf lifesaving club at West Beach and all the CFS stations over a period of time, which were all part of this government-endorsed umbrella arrangement with Unique.

Mr PLACE: The contract with West Beach Surf Lifesaving—they call it 'Surf Central'—is clearly between surf life and Unique. The complicating factor was that our project manager was offering some support to them, so we are still trying to work through what that means.

3924 The CHAIRPERSON: This is the project manager who has now resigned?

Mr PLACE: Yes.

3925 The CHAIRPERSON: Perhaps you can take it on notice and advise the committee on what the department view is in terms of its responsibility in relation to the surf lifesaving club project; and, if it is incomplete (that is, that the landscaping, etc., cannot be done), whose responsibility is that?

Mr PLACE: Yes.

3926 The Hon. D.W. RIDGWAY: Mr Maguire, are any personnel from the Department of Justice travelling with the police and emergency services minister on his current overseas trip?

Mr MAGUIRE: I cannot answer that. I quite frankly don't know. We can come back to you on that.

3927 The Hon. D.W. RIDGWAY: You have no idea?

Mr MAGUIRE: No, I don't know.

3928 The Hon. S.G. WADE: Mr Maguire, in your evidence in November you mentioned the business model review for the Crown Solicitor's Office, and you indicated that that was due to report by March. Can you tell us what the outcome of that review was?

Mr MAGUIRE: Could you just repeat the beginning? I have missed the first part.

3929 The Hon. S.G. WADE: In the evidence that you gave the committee in November you said that there was a business model review for the Crown Solicitor's Office, and considering that at that time you thought that it would report by March I just wondered whether it has reported and, if so, what was the outcome?

Mr MAGUIRE: We have reported to Treasury. It is well in progress, basically. We told Treasury that, and we hope to have an answer that the Attorney would probably take to cabinet by the end of this financial year.

3930 The Hon. S.G. WADE: Also in evidence before the committee, I think that the chair was asking you about how much had been expended in relation to the Finks case, both the proceedings before the Supreme Court and the proceedings before the High Court. You said that, at that stage, it had not been settled. I wondered whether the costs were now known?

Mr MAGUIRE: The defence case for whom?

3931 The Hon. S.G. WADE: The Finks case.

Mr MAGUIRE: The Finks, sorry. No, that is not finalised yet. We will come back to you when we do have the cost.

3932 The CHAIRPERSON: Just on costs, do you have an update? I think that you advised me last time that the defamation costs for the former attorney-general, with the particular dispute being with Colin James (an *Advertiser* journalist) was \$57,000. What is the latest estimated cost and has that issue been resolved?

Mr MAGUIRE: My understanding is that it has been resolved. The costs are \$72,000 for Colin James.

3933 The CHAIRPERSON: So, \$72,000 for Colin James or the total costs?

Mr MAGUIRE: The legal costs amount.

3934 The CHAIRPERSON: The legal costs amount was \$72,000?

Mr MAGUIRE: Yes.

3935 The CHAIRPERSON: And they were solely to the firm Lawson Smith, the private firm that the former attorney used?

Mr MAGUIRE: That is my advice, and that is what we believe as well.

3936 The CHAIRPERSON: And your advice to the committee is that the issue has now been resolved but—

Mr MAGUIRE: Yes.

3937 The CHAIRPERSON: —you're not in a position to indicate the terms of the settlement.

Mr MAGUIRE: No. That would be a confidential deed, I would imagine.

3938 The CHAIRPERSON: Sorry?

Mr MAGUIRE: Like most of these settlements, that would be a confidential arrangement.

3939 The Hon. S.G. WADE: Are there any defamation proceedings that the department is managing in relation to the current Attorney-General?

Mr MAGUIRE: Not that I'm aware of.

3940 The Hon. D.W. RIDGWAY: Following your answer to my previous question, Mr Maguire, about not being aware, I hope you take that on notice and provide information, that if any personnel travelling with the minister, then you are able to provide those details to us.

Mr MAGUIRE: Perhaps I could elaborate a little bit there. From the Attorney-General there is no-one I know of who is travelling with the police minister or the emergency services minister from the Attorney-General's Department. He may well have advisers or other people from other parts of his portfolio, but from the Attorney-General's Department, no. You would need to ask the police minister or the police commissioner—

3941 The Hon. D.W. RIDGWAY: So nobody from this department?

Mr MAGUIRE: From the Attorney-General's Department, no.

3942 The CHAIRPERSON: Just prior to the 2010 election there was a series of functions and expenditures incurred by the former Attorney-General. I will just quickly go through the list—it took the nature of receptions for large members of various ethnic communities: the Latvian community, \$3,400; the Greek and Armenian community, \$600; the Messinian community, \$3,100; the Irish community, \$2,600; the Czech community, \$3,500; the Muslim community, \$3,500 (these are all averages); and the Ethnic Schools Association, \$2,500. A total of around about \$20,000 for about six functions.

These were big functions where all the members from the various communities were invited to a reception with the former Attorney and I think, in most cases if not all, the Premier was to attend. The payment of accounts, are they costs for the Attorney-General's Department or for the Attorney-General's ministerial budget account?

Mr MAGUIRE: I will have to take that question on notice because, quite frankly, I'm not sure. It is also important to recognise that he was the Minister for Multicultural Affairs, so what you're saying would be supporting him undertaking his functions. We can come back to you about it.

3943 The CHAIRPERSON: Can you take on notice that in the 12 months after the election—and you still have the Minister for Multicultural Affairs within your ministerial package, don't you, if I can put it that way?

Mr MAGUIRE: Yes.

3944 The CHAIRPERSON: How many similar functions were conducted in the 12 months after the election for various ethnic communities similar in nature, size and scope as the seven or eight I have indicated were conducted in the six months prior to the state election? Could you take that on notice.

Mr MAGUIRE: Yes, we will take it on notice.

3945 The CHAIRPERSON: That's assuming that they are a cost—which I think they are—against the Attorney-General's Department. If they are, can you indicate which budget line they are debited against in terms of the Attorney-General's Department accounting?

Mr MAGUIRE: Sure.

3946 The CHAIRPERSON: Just on the consultancies, earlier you talked about Locher and Tempo and they are both listed but not with the specific costs in the 2009-10 report. So, can you take that on notice and indicate the precise payments to Locher. It says performance management but I'm not sure whether it is the same thing you are talking about or whether it's something else.

Mr MAGUIRE: No, that's different. There were a number of consultants engaged for undertaking—

3947 The CHAIRPERSON: Well, all of those that relate to Make A Difference. Tempo is listed to 'conduct planning workshops and executive interviews in the 10 to 50 bracket', but then they are listed again with a 50 plus bracket for 'leadership develop program'.

Mr MAGUIRE: Yes, they are a major leadership development firm that does a lot of work with the commonwealth secretaries and deputy secretaries.

3948 The CHAIRPERSON: Yes. If you could take on notice the costs in 2009-10 for both those companies as part of Make A Difference.

Mr MAGUIRE: Yes.

3949 The CHAIRPERSON: And the costs in 2010-11 for both those companies or any others in terms of the Make A Difference program.

Mr MAGUIRE: Yes.

3950 The Hon. S.G. WADE: I am wondering if I can pick up on some questioning from the Hon. David Ridgway at the last meeting. I might have missed it, but I understood that you took on notice a question (but I couldn't see the answer) as to how many offenders are in the Repay SA program at any one time. On the honourable member's behalf, I will ask that question again.

I just wondered also, following on from that evidence, whether you could advise how much funding is contributed by other parts of government towards the Repay SA program. I presume that they do make contributions because, for example, Transport SA uses the offenders to deal with graffiti within public transport corridors. In that context, could you indicate what proportion of the projects that Repay SA offenders are involved in relate to government assets and what relate to community or private assets?

Mr SEVERIN: I will have to take the second part on notice, but certainly, as a principle, we do have an arrangement with a couple of government departments, namely transport, and there was one with Housing SA for offenders to undertake graffiti removal work and repair work on public housing assets before they are re-tenanted. I haven't got those numbers with me, but, no doubt, we can produce those.

What is very heartening is that we are now almost nearing the \$5 million mark for work that has been performed by Repay SA offenders; that is the equivalent of \$5 million worth of work that otherwise would not have been done. So, that is a very, very important program, as part of our community service initiative.

The number of offenders participating in the program has been provided, to my knowledge, to the committee following the last meeting, but I can just read the information out. The department commenced 2,154 orders during the 2009-10 financial year, so that is the total number of orders that we have commenced during that year. I haven't got the total number of offenders who are participating in the program in front of me, but I am happy to provide that.

3951 The Hon. S.G. WADE: I interpreted the Hon. David Ridgway's question differently, in that it wasn't the aggregate number per year. So, for example, as of today, how many offenders are involved in the program?

Mr SEVERIN: I will have to take that on notice.

3952 The Hon. D.W. RIDGWAY: Just while we are talking to Mr Severin, coming back to a couple of questions in relation to televisions, do the prisoners control the television stations that they view in their cells?

Mr SEVERIN: My advice is that, with the advent of the digital television, that will be an option for us to investigate. Prisoners can only receive free-to-air television, so they can't receive any other programs. My advice is that, with the advent of digital, we would be able to block certain television stations if we consider that they are inappropriate for prisoners to view. More importantly, what we can do is screen a whole range of other programs, if we choose to do so, particularly education-type information, general announcements, communication, through the television system. So, with the digital technology, there is a lot more scope in relation to how you can actually use the television system.

3953 The Hon. D.W. RIDGWAY: You said that the prisoners don't have any access to pay TV. However, given that you talked about the capacity of digital television for screening or providing some stations, is there a possibility that some stations may be provided in the future, of an educational or sporting nature, that are currently on pay TV?

Mr SEVERIN: No, there is absolutely no plan to introduce pay television of any form into the prison system. There was an interpretation, not a miscommunication, when we let the tender for the upgrade. The industry specific standards require that the system that has to be installed has to be compatible with certain industry standards. So, my understanding is that,

technically, pay TV could be provided but there is absolutely no plan to provide pay TV. We don't have pay TV anywhere in our prison system, neither for staff nor for offenders.

3954 The CHAIRPERSON: On overseas travel, Mr Maguire, your 2009-10 annual report, I think for the first time in a long, long time, no longer listed overseas travel for departmental officers. Could I ask you to take on notice to provide to the committee the information you used to provide in the annual report, for 2009-10?

Mr MAGUIRE: Yes, sure.

3955 The CHAIRPERSON: Could you briefly indicate to the committee the reasons why, after many years of providing that information, you didn't in 2009-10?

Mr MAGUIRE: That's a surprise to me, too. I have no problem providing the committee with our overseas travel records, that's not a problem. It may have been because we tried to reduce the size of the report or whatever.

3956 The CHAIRPERSON: I can suggest other areas you might like to take out rather than the overseas travel but, anyway, you'll take it on notice. We are at the stage, I guess, for questions on notice from members.

3957 The Hon. P. HOLLOWAY: Perhaps I will just ask Mr Maguire whether he can estimate the cost and the staff hours involved in collecting all the information that he needs to provide to this committee. I'll be looking to all committees to do that.

Mr MAGUIRE: It will be significant. It will take many hours of work, and I cannot commit to getting this back with in the next fortnight, but we will do our best to get it back within a reasonable time.

3958 The Hon. P. HOLLOWAY: If you could provide some cost, and perhaps also if you could provide information on freedom of information requests. If they're like other departments, they will have been growing dramatically in recent years. If you could perhaps provide some information on the number of requests, particularly from members of parliament, and the costs associated with those things.

Mr MAGUIRE: I will oblige with that. We can do that. We will field that through in the response.

3959 The CHAIRPERSON: Given that we still have three or four minutes, we will not waste the time. On a previous occasion, I think it was two meetings ago, Mr Maguire, I put questions to you in relation to the Public Trustee Building and the deal that eventuated between the government and interests associated with Javier Moll and others. The question I asked on one occasion which was never really answered was: is it correct that the original lease deal—and I think this might have been the corrections section of the department—had a three year plus two plus two right of renewal. That was on page 311 of the evidence taken at the last committee meeting, in 2010. In the answers that have come back there is no specific answer to that. So, Mr Severin, is that your lease deal that we are talking about there? You had part of that building, didn't you?

Mr SEVERIN: We had a number of floors in that building, yes. We, together with the Public Trustee and Courts Administration Authority, vacated the building at around about the same time so that the building became available for whatever future purpose it was designated for. I am not familiar exactly as to how that coincided with the expiration of the lease.

What I can clearly say is that the accommodation that the Department for Correctional Services occupied was very problematic in that it did not meet normal workplace occ. health and safety standards any more, and we were forced to either look at a significant capital investment to upgrade the facility or to move, so overall it was the far more advantageous for us to move into new accommodation.

3960 The CHAIRPERSON: Can you coordinate with Mr Maguire, I guess, because there is you and the Public Trustee obviously who are part of that building. I am just seeking an answer to the question and there might be reasons why in the end you choose not to take it up, but the argument against that is that the additional cost to government is significantly higher than if we continued with the original lease deal. That is an issue I guess we can explore on another

D. PLACE
A. SWANSON

J. MAGUIRE
P. SEVERIN
D. NORTON

occasion, but I am just wanting an answer to the question coordinated through Mr Maguire from Corrections and Public Trustee: was there a two plus two right of renewal if the government wanted to pick up that particular arrangement under the original lease deal?

Mr MAGUIRE: That is my understanding: it is a three plus two plus two.

3961 The CHAIRPERSON: Well, can I have that confirmed, because clearly the government did not take up that option, for whatever reason. If that is confirmed, then Mr Maguire might like to coordinate a response between the Public Trustee and Corrections as to why we have incurred significant additional annual cost and why it was in the better interest of taxpayers to incur a higher annual cost, as opposed to staying on and upgrading your requirements, if need be, at that particular building. Any other questions on notice? With that, can I thank you for your attendance, and the secretary will liaise with you in relation with the transcript and the answers to question on notice. Thank you for your time.

THE WITNESSES WITHDREW



11/0349TRAV1

22/7/11
July 2011

Mr Guy Dickson
Secretary
Budget and Finance Committee
Parliament House
North Terrace
ADELAIDE SA 5000

Dear Mr Dickson,

Budget and Finance Committee - Response to Questions on Notice

Please find attached a response to the questions taken on notice at the Justice Portfolio's Budget and Finance Committee session on 11 April 2011.

The responses enclosed relate to the Attorney-General's Department and the SA Fire and Emergency Services Commission. I understand the Department for Correctional Services is responding to the Committee directly.

Yours sincerely

J Maguire
Jerome Maguire
Chief Executive
Attorney-General's Department
and Department of Justice

22/7/11

Budget and Finance Committee - 11 April 2011

Questions on Notice

Attorney-General's Department (AGD)

1.
(a) Provide the breakdown of revenue components that contribute to the significant increase in the balance of the Victim's of Crime Fund in each of the out years? [page 529]

Revenue forward estimates for the VOC Fund are as follows:

	2010-11 Estimated Result \$000	2011-12 Budget \$000	2012-13 Budget \$000	2013-14 Budget \$000	2014-15 Budget \$000
VOC levy	31,184	42,963	43,842	44,736	46,313
Recoveries / Confiscation of profits	2,777	5,931	5,171	2,952	3,044
Interest	1,206	1,206	1,206	1,206	1,206
Appropriation	9,567	9,793	10,922	7,824	8,020
Total	44,734	59,893	61,141	56,718	58,583

- (b) For each area that the Victim's of Crime Fund funds, what was the actual expenditure in each of the past four financial years up to 2009-10 and what was budgeted in 2010-11? [page 531]

	2006-07 Actual \$000	2007-08 Actual \$000	2008-09 Actual \$000	2009-10 Actual \$000	2010-11 Budget \$000
Employee Entitlements	-	-	-	253	2,707
Supplies & Services (including compensation)	16,468	14,457	15,840	15,330	21,344
Grants & Subsidies	1,543	1,562	1,705	1,675	1,696
Intra-Government Transfers	681	829	913	978	1,087
Total	18,692	16,848	18,458	18,236	26,834

- (c) What level of levy collections might be expected in this financial year? [page 531]

The 2010-11 Estimated Result for VOC levy collections is \$31.2 million.

2.
(a) How many applications has the Attorney-General's Department received from victims of abuse in state care under the CISC scheme? [page 530]

104

- (b) How many offers have been made? [page 530]

39

- (c) How many offers have been accepted? [page 530]

34

3.

- (a) In relation to the answer to Question 3 of the previous QON's provided to the committee, are the costs representing the victim in the proceedings taken out of 'Victims payments and related costs' or 'legal costs' lines? [page 531]

The costs representing victims in proceedings are reported as part of the 'Victims payments and related costs'.

- (b) Why has 'administration' expense halved from 2010-11 to following financial years? [page 532]

The 'administration' expense halved from 2010-11 to following financial years due to a carryover of \$63,000 from 2009-10 into 2010-11 relating to an office refurbishment and marketing campaign.

- (c) What is the breakdown of the different elements in the intragovernment transfers section? [page 532]

The breakdown of the different elements in the intra-government transfers section for the period 2010-11 to 2013-14 is as follows

	2010-11 Budget \$000	2011-12 Budget \$000	2012-13 Budget \$000	2013-14 Budget \$000
Office of the Commissioner for Victims' Rights	295	301	309	317
Witness Assistance Services	402	397	407	417
Criminal Asset Confiscations	390	403	412	423
	1,087	1,101	1,128	1,157

4. How many FTEs are there in the Crown Solicitor's Office unit that assess victims of crime applications and how many of those are legal officers? [page 532]

Up to eight officers are involved in the assessment of Victims of Crime applications.

Seven of the officers are Solicitors or Law Clerks. Not all officers work full time on Victims of Crime matters.

When a complex matter arises, there may be a need to engage with more senior officers within the Crown Solicitors Office.

5. In relation to the answer to Question 5 of the previous QON's provided to the committee, are there any ad hoc transfers from the Office of the Commissioner for Victims' Rights in the 2007-08 financial year and the 2008-09 financial year? [page 532]

There were no ad hoc transfers from the Office of the Commissioner for Victims' Rights in the 2007-08 financial year and the 2008-09 financial year .

6. In relation to general VOC fund payments [page 532]:

- (a) how many applications to the fund have been received for each of the past financial years up to 2009-10?

- (b) how many applications have been approved for each of the past financial years up to 2009-10?
- (c) how many payments for each - i.e. what are the spread of payments?

The number of applications received, applications approved and payments made each year up to 2009-10 (payments grouped to \$5,000 bandwidths) are as follows:

	2005-06	2006-07	2007-08	2008-09	2009-10
(a) Applications received	1,633	1,713	1,791	1,730	2,170
(b) Applications approved	1,360	1,227	1,113	1,044	1,031
(c) Payments made presented per \$5,000 bandwidth					
\$0 - \$5,000	801	759	780	388	394
\$5,001 - \$10,000	348	278	204	374	378
\$10,001 - \$15,000	90	78	58	100	83
\$15,001 - \$20,000	34	40	33	51	59
\$20,001 - \$25,000	18	14	6	28	23
\$25,001 - \$30,000	18	12	8	17	19
\$30,001 - \$35,000	13	5	5	11	14
\$35,001 - \$40,000	10	4	1	10	12
\$40,001 - \$45,000	1	1	1	2	3
\$45,001 - \$50,000	27	36	17	63	46
	1,360	1,227	1,113	1,044	1,031

Please note that the total number of approved applications and payments made each year are not necessarily from the applications received in the same year.

7.

- (a) What is the Michael Atkinson Farewell Account? [page 533]
- (b) How much money was paid into the Michael Atkinson Farewell Account?
- (c) What are the accumulated funds in the Michael Atkinson Farewell Account?

This account is not an account administered by the Department.

- (d) Given the amount was \$70, was this a per head payment from somebody on behalf of somebody?

The payment of \$70 was made on behalf of Minister Koutsantonis by the Department. The Minister reimbursed this amount.

- 8. What have been the total payments to consultants, Locher and Tempo for the Make a Difference change program in 2009-10 and 2010-11 and any others in terms of this program? [page 534 and 539-540]

\$93,959.07

- 9. Are the costs in relation to the Finks case now known? [page 538]

No, this matter has not yet been finalised.

10.

- (a) **The former Attorney-General, as part of his role as Minister for Multicultural Affairs, spent money on a series of functions relating to various ethnic communities just prior to the 2010 election - are these costs of the Attorney-General's Department or the Attorney-General's ministerial budgets? [page 539]**

Payments for Ministerial receptions are paid by the Ministerial budget.

- (b) **how many similar functions were conducted in the 12 months after the election for various ethnic communities similar in nature, size and scope as the seven or eight indicated in the six months prior to the state election? [page 539]**

In the period since the election the following functions have been held:

25-May-10	A reception for Maltese community on occasion of the visit by Dr Joseph Muscat, Leader of the opposition, Republic of Malta
17-Sep-10	Eid Al-Fitr Reception
13-Oct-10	A reception to welcome Dr Salman Sayyid Director of the International Centre for Muslim And Non Muslim Understanding Unisa
7-Dec-10	The 55 th anniversary of the Polish Theatre Stary In Adelaide Inc
9-Dec-10	The 35 th Anniversary of the Vietnamese community in Australia
14-Feb-11	Reception in honour of Dr Severino Nappi, Minister for Employment, Training, Migration and Immigration of the Region Of Campania

- (c) **If they are a cost against the Attorney-General's Department, can you indicate which budget line they are debited against? [page 539]**

Payments for Ministerial receptions are paid by the Ministerial budget.

11.

- (a) **Can you list the overseas travel for departmental officers for 2009-10? [page 541]**

Number of Employees	Destination	Reason For Travel	Cost To Dept
1	USA	National Network for Safe Communities Conference	\$7,256.26
1	Canada, Poland and France	International Graphonomics Society conference & present at the European Network of Forensic Handwriting Experts (ENFHEX) conference	\$1,328.68
1	USA	Present a case study at a Trace Evidence Symposium	\$646.32
1	USA	Medical Examiners Annual Scientific Meeting	\$12,827.29
1	USA	CA World 2010 Conference regarding CA Software used for Justice's IDMS CARE Conference 2010 discussing user groups and Community Managers	\$2,914.53

1	Germany and United Kingdom	European Network of Forensic Science Institutes Visit University of Lausanne. Re: Meeting with head of Forensic School Visit Forensic Science Service and Ballistics laboratory in London Visit Defence Science Tech. laboratory in Fort Halstead, UK	\$5,961.35
1	USA	Present a case study at a Trace Evidence Symposium	\$450.00
1	Argentina	International Society for Forensic Genetics 2009 Symposium	\$6,853.01
2	Switzerland	International Association of Forensic Toxicologists	\$2,499.35
1	USA	National Network for Safe Communities Conference	\$7,559.89
1	China	Visiting Hong Kong and China for Trade Mission	\$10,830.64
1	USA and United Kingdom	Investigate best practice in relation to the reintegration of prisoners into the community and systems for the granting of parole	\$15,019.82
1	Vietnam	Present a research paper on artificial intelligence and legal reasoning at the first international conference on Knowledge and System Engineering (KSE 2009)	\$2,050.85
1	Japan	World Society of Victimology (Executive Committee) & International Symposium	\$1,223.07
1	Brazil	Attend UN Congress on Crime Prevention & Criminal Justice, make three presentations at Ancillary Meetings. Represent the World Society of Victimology as a Vice-President.	\$4,672.93
1	Ukraine	International Association of Prosecutors Annual Conference & General Meeting	\$15,760.96
1	South Africa	Attend heads of Prosecuting Agencies Conference (HOPAC)	\$8,607.60
2	USA	National Network for Safe Communities Conference	\$16,796.39
1	United Kingdom	5th European Academy of Forensic Science conference in Glasgow The International Association of Forensic Radiographers Annual conference in Manchester	\$3,235.24
TOTAL			\$126,494.18

(b) Can you indicate the reasons why, after many years of providing the overseas travel detail in the annual reports, it is not provided in 2009-10? [page 541]

The Department of the Premier and Cabinet (DPC) produce a circular each year to provide guidance on what to include in annual reports for public sector agencies in South Australia.

DPC Circular, PCO-13 Annual Reporting Requirements 2010, omitted any reference to reporting on overseas travel. Consequently, no reference was included in the Attorney-General's Department Annual Report. DPC Circular PCO-13 Annual Reporting Requirements 2011, has reinstated the requirement to report on overseas travel.

12. What is the estimated cost and staff hours involved in collecting all the information that is required for the Budget and Finance Committee sessions? [page 541]

Various officers throughout the Attorney-General's Department provided information in relation to the Budget and Finance Committee session. It is not possible to quantify the amount of time spent on this task, however it is significant.

13. What are the number of requests for FOIs, particularly from members of parliament and the costs associated with these? [page 541]

During 2009-10 the Attorney-General's Department received 262 Freedom of Information applications, of which 141 were from Members of Parliament. The Department has 1.0 FTE Freedom of Information Officer dedicated to determining applications, with additional staff providing support during periods of high demand and to cover leave. Staff in business units throughout the department coordinate and undertake searching for documents on the Freedom of Information Officer's behalf upon receipt of applications.

14. In relation to the right of renewal lease agreement with the old PT building - was there a two plus two right of renewal if the government wanted to pick up that particular arrangement under the original lease deal? If yes, why did PT and DCS incur significant additional annual costs to move to new accommodation rather than taking up the lease renewal option and upgrading the accommodation? [page 542]

The decision to sell the Public Trustee building was made by Cabinet based on whole-of-government considerations.

I understand that factors contributing to this decision included, but were not limited to, the poor condition of the building and the need to ensure accommodation was in accordance with Government standards.

15. What was the date of the prisoner transport contract reassessment to either outsource or do in-house and was the assessment done by the Justice Portfolio (DCS) or Attorney-General's Department? [page 522]

Contract Extensions

- First Contract - Service commenced December 1996 with an end date of 15 December 2001
- Cabinet approved a 6-month extension in October 2001 to extend the contract to June 2002, in order to re-negotiate pricing for a new contract
- In May 2002 Cabinet approved a 5-year extension to 30 June 2007
- In November 2006 Cabinet recommended a 12-month extension to June 2008, to undertake further market research to justify a waive of tender process for a further extension.

- In January 2008 Cabinet approved a 12-month extension to 30 June 2009 to undertake a competitive open market tender process
- Second Contract - New contract commence in July 2009.

Benchmarking

- Financial benchmarking analysis was conducted in 2002. Indicated a \$1.3 million per annum additional cost to government if services were to be provided by government.
- As part of the 2008 extension process, a benchmarking analysis was undertaken by AGD with assistance of Ernst & Young. This showed a cost difference of \$1.8 million per annum in favour of outsourcing as opposed to an in-house service provision.

SA Fire and Emergency Services Commission (SAFECOM)

1.

(a) How long has MFS been operating with six fire commander positions? [page 525]

The Treasury approved FTE Cap for the MFS reflects three Executive and 8 Commander positions (noting that the Enterprise Agreement with the United Firefighters Union requires 6 Commander Positions). This Treasury-approved FTE Cap has been consistent for the Senior Management positions, at least since 2006.

Due to structural budget limitations, the MFS has not always been able to fill all of the 8 Commander positions and at the same time, provide relief coverage for leave entitlements through the payment of acting up/higher duties. Accordingly, the MFS has operated at times with 6 Commanders since 2006 and used funding from the vacant positions to cover acting up/higher duties payments for leave entitlements and also to partially fund the Assistant Chief Officer (ACO) position (that was added to meet statutory requirements of the Emergency Management Act).

These arrangements have been necessary to ensure that the MFS 24/7 Senior On-call Emergency Management and Response Roster is maintained. Over the past five years, ongoing savings efficiency measures applied to the MFS budget have required the MFS to adapt and find ways of maintaining operational coverage while meeting the minimum staffing requirements of the Enterprise Agreement.

Under a re-organised MFS Senior Management structure (necessitated by the Sustainable Budget Commission findings and intended to be fully implemented by 7 October 2011), the FTE Cap for Commander positions will be reduced from eight to six and the Executive (Assistant Chief Officer) position removed. Corresponding funding of approximately \$450k annually will be removed from the MFS budget going forward, to reflect the permanent reduction of 3 positions. A further permanent reduction of one staff officer is also being processed to bring a total reduction of 4 staff and ongoing savings of \$550K.

The permanent reduction of \$450K from the annual budget means there will no longer be funding for up/higher duties relief cover of Commander positions. This has necessitated a significant revision and expansion of duties and responsibilities for the remaining 6 Commanders positions (3 of which have recently been filled), in order to provide leave entitlement coverage and to absorb the devolved responsibilities of the Assistant Chief Officer position that has been removed (note that Assistant Chief Officer is not eligible for any TVSP payment).

(b) Who took the decision in relation to the appointment of three new fire commander positions just prior to Christmas? Did this decision come through SAFECOM and through the Minister or was this only handled at the MFS level? [page 525]

The MFS Chief Officer made the decision to appoint 3 new fire commanders to the revised vacant Commander positions in order to implement the Sustainable Budget Commission (SBC) requirements.

Under Sections 25(2) and 27(4) of the *Fire and Emergency Services Act*, the MFS Chief Officer also has statutory authority as the Chief Executive of the MFS and therefore has "...ultimate responsibility..."

The MFS has commenced a process of transitioning to a re-organised senior management structure, necessitated by the SBC, while endeavouring to maintain Senior Officer emergency response coverage and fulfil statutory responsibilities under the *Emergency Management Act*.

Once fully implemented, the MFS must ensure that a minimum of six revised Commander positions are maintained, to comply with the minimum senior staffing requirements prescribed in the Enterprise Agreement with the United Firefighters Union (UFU) and meet the requirements of the *Emergency Management Act* and the *Fire and Emergency Services Act*.

The SAFECOM Board approved the 2010/11 MFS Workforce Plan at the September, 30 2010 Board Meeting. This approval was "subject to the budget impact" as the MFS was awaiting the findings of the SBC, which could require an adjustment of workforce numbers for the current year.

- (c) **What is the cost of the TVSP that has been paid out to one of the fire commander positions? [page 525]**

The cost of the TVSP paid out to one of the fire commander positions was \$277,273.64.

- (d) **How does this TVSP meet the government's TVSP arrangements - i.e. does this TVSP show a net reduction in positions? [page 525]**

The culmination of savings strategies implemented by the MFS will provide annual savings of approximately \$550,000.00 going forward. The Commander position in question (together with 3 other positions and the corresponding budget amounts), have been permanently removed from the MFS workforce numbers. These savings are close to meeting the overall targets set by the SBC for the MFS to achieve by 2013/14; however achieved two years earlier.

- (e) **What was the age of the officer that accepted the TVSP? [page 525]**

59 years.

2.

- (a) **In relation to the Surf Lifesaving club facility at West Beach, is it correct that this project is significantly over budget and consequently parts of the original proposal such as landscaping etc can no longer be afforded? [page 537]**

The project is not complete and the forecast cost to complete developed in October 2010 indicate a potential cost overrun. Further understanding of the potential over expenditure is being sought via a tender process currently underway. The project will be subject to an intensive value management process with the objective of delivering the facility in total at the most cost effective price.

- (b) **What is SAFECOM's view in terms of its responsibility in relation to the surf lifesaving club project, and if it is incomplete (i.e. landscaping), whose responsibility is that? [page 537]**

Attribution of this responsibility between both parties remains unclear. SAFECOM's view is that it has a shared responsibility with Surf Lifesaving SA (SLSSA) in relation to the facility and SAFECOM continues to work with SLSSA to develop a mutually satisfactory outcome, recognising that shared responsibility.

sent



Government of South Australia
Department for Correctional Services

OOA

✓ copy to J Maguire

Our Ref CEN/08/2242

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The Hon. Robert Lucas MLC
Parliament House
ADELAIDE SA 5000

Dear Mr Lucas

RE: QUESTIONS ON NOTICE – BUDGET AND FINANCE COMMITTEE 11 APRIL 2011

Please find attached the responses for DCS to the questions taken on notice from the Committee Meeting on 11 April 2011.

Yours sincerely

PETER SEVERIN
CHIEF EXECUTIVE
peter.severin@sa.gov.au

BUDGET AND FINANCE COMMITTEE - QUESTIONS ON NOTICE 11/4/2011

Department for Correctional Services

Question 3785

Could you advise the committee what we would have reported as prison utilisation rates for open, secure and total in 2008-09 and 2009-10 if we had submitted?

Response

SA has not reported on Prison Design Capacity Utilisation as the counting rules for the Report on Government Services do not enable purpose built 'temporary' facilities and other operational accommodation to be included.

The counting rules are based only on the original design capacity of prison facilities.

Extra capacity, implemented over the years is mostly not included in original design capacity figures.

SA currently has more beds available and funded than the number of prisoners. Therefore the system is meeting demand.

In South Australia the total of approved operational beds in each institution available for prisoner utilisation takes into account, the actual number of beds in each institution, the built environment constraints of using all such beds and the actual number of staff available to ensure personal and prisoner safety.

SA does not continue to undertake the calculations using the old counting rule and has not done so since 2007.

It should be noted that the counting rule for the prison design capacity utilisation as reported in the Report on Government Services has been amended and will take affect as of the 2013 report. The category of 'temporary design' has been deleted and the indicator will be aligned to reflect operational capacity.

Question 3791

When was the prisoner transport contract renewed?

Response

The initial agreement for Prisoner Movement & In-court Management contract was signed on the 26 September 1996 with first services commencing December 1996.

The contract was renewed on 29 April 2002.

The contract was re-tendered in 2008 & the current contract commenced operation on the 1 August 2009.

Question 3792

In that context, I appreciate that it would be inappropriate for you to tell us what the quantum of the contract is, but could you tell us the percentage increase or decrease in the contracted payments as a result of the new contract versus the old contract?

Response

The year one contract price represented a 17% increase on the previous year (2008-09) contract rate.

The additional funding supports the replacement of an ageing vehicle fleet and provides for operational efficiencies through the employment of additional G4S staff and the implementation of a new order management and fleet scheduling system.

The contract offers value for money to manage the increasing service demands and resourcing requirements for the new SAPMICM contract.

Question 3793

What proportion of transports are currently done by DCS staff because the classification is too high for a private contractor?

Response

The contract specifies that certain types of prisoners are excluded from the contract. The exclusions pertaining to DCS include any:

- prisoner who has been assessed by DCS to be a prisoner at High 1 security rating;
- female prisoner accompanied by an infant;
- prisoner on home detention;
- prisoner who requires immediate ambulance service or other transport from a DCS prison to a medical facility for a medical emergency;
- prisoner who is on compassionate leave of absence, eg for a funeral service;
- prisoner who is on leave of absence for work release and other resocialisation programs, as well as any unaccompanied leave;
- prisoner moving on interstate transfer or extradition;
- prisoner released to SAPOL for the purposes of investigation, obtaining evidence or identification; and
- the movement and management of any Prisoner that DCS employees undertake in the best interests of DCS.

Prisoner movements completed by DCS staff and by the private contractor are as follows:

1 July 2009 – 30 June 2010

DCS 274
G4S 14,641

1 July 10 – 28 February 2011

DCS 163
G4S 9,479

Question 3794

In relation to the financial penalties that are suffered by a breach, has that changed at all in the new contract arrangements?

Response

Financial penalties were increased as part of the re-tendered contract that came into force in August 2009.

The 2009 contract states that if multiple prisoners escaped in any one incident, the amount payable by the Contractor to the State shall not exceed \$75,000 for each such incident. By comparison, the 2002 contract stated the amount payable by the Contractor to the State shall not exceed \$30,000 for each such incident.

If the contractor has more than one escape in any rolling 12 month period the service debit is set at \$50,000 in the 2009 contract, whereas the service debit that was applicable in the 2002 contract was set at \$20,000

Further, the 2009 contract provides for the Contractor to reimburse the State of an amount of \$5,000 if can be proven that the Contractor's staff breached approved procedures. The 2002 contract did not include a provision for a service debit to be applied in the event a Contractor's staff breached approved procedures.

The issue of financial penalties was considered as part of the contract renewal in 2008 and these revised were incorporated into the existing contract that commenced operation in August 2009.

Question 3845

Do prisoners have access to DVD players?

Response

With respect to DVD player access for offenders please note the following prisons maintain a centrally controlled DVD player used for evening movies and which is located in the control room under supervision of staff with no prisoner access:

- Yatala Labour Prison
- Port Augusta Prison
- Mobilong Prison
- Port Lincoln Prison
- Adelaide Remand Centre
- Adelaide Women's Prison Secure Units
- Mt Gambier Prison
- Cadell Training Centre Secure Units

Unit DVD players, accessed by prisoners are available in the following prisoner units for prisoners who have worked their way to enhanced regimes:

Cadell Training Centre Drug Free Unit
Adelaide Women's Prison Low Security Cottages
Adelaide Pre-Release Centre Cottages

Further, most prison education centres have a DVD player for educational purposes during formal lessons and operated by staff.

Question 3950

How many offenders are in the Repay SA program at any one time? How much funding is contributed by other parts of government towards the Repay SA program? Could you indicate what proportion of the projects that Repay SA offenders are involved in relate to government assets and what relate to community or private assets?

Response

The funding for Repay SA of \$938,000 in 2010-11 can be broken down into:

- State Government Agencies (\$572,000)
- Local Government and Private Sector (\$366,000)

During March 2011, there were 1878 Community Service (RePay SA) orders for a total of 1694 offenders.

During the week of 1st to 7th March 278 offenders attended government projects [State and Local Council] to enhance government assets and 166 attended projects which enhanced community assets. No offenders attended projects benefitting private assets.