



MEDIA RELEASE

Public Service Association of SA Inc

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SAFETY SOLD OFF AS SERCO TAKES OVER ADELAIDE REMAND CENTRE

At 5.00am tomorrow morning (Wednesday August 14), the state government hands over the Adelaide Remand Centre (ARC) to notorious private prisons operator Serco.

PSA General Secretary Nev Kitchin said the privatisation of the ARC demonstrates this Liberal government is prepared to sell off public assets regardless of the very real dangers posed to staff, prisoners and the community.

“Privatisation always leads to reduced safety through increased assaults, increased drug use and increased recidivism,” he said.

“The evidence clearly shows that by privatising the ARC the government is exposing corrections staff to serious risks – there will be fewer staff with less training.

“Serco has a scandalous track record when it comes to managing private corrections facilities, yet the state government has handed the ARC over to them. It’s hard to see how any due diligence process could ignore Serco’s terrible performance in Corrections.”

“Before the 2018 State Election, Steven Marshall publicly stated that his government didn’t have a privatisation agenda. However, since its decision to privatise the ARC in September last year, the state government has announced the privatisation of trams and trains, Service SA and the Motor Registry, road signal and maintenance operations, and threatened to privatise SA Pathology,” Mr Kitchin said.

“The privatisation of the ARC was conducted under a dark veil of secrecy. A number of crucial clauses have been redacted from the public version of the contract. The South Australian public has a right to know the extent of the Liberal government’s privatisation plans – how many more prisons will be sold off to Serco or other dodgy operators?”

“It seems implausible that Serco won’t be seeking to take control of other correctional facilities around the state. It’s high time the government came clean about its intentions for public prisons and other essential public services,” said Kitchin.

SERCO'S RECORD SPEAKS FOR ITSELF

As recently as last month, Serco's UK prison operations were found to have knowingly engaged in criminal conduct whereby they improperly invoiced and were paid by the Ministry of Justice for electronically monitoring subjects where no actual monitoring of those subjects had taken place. They were ordered to pay £19.2m in fines, along with the UK Serious Fraud Office's costs. Compensation to the victim of the conduct, the Ministry of Justice (MoJ), was previously paid by Serco as part of a £70m civil settlement in 2013.

The Director of the Serious Fraud Office, Lisa Osofsky said last month:

"SGL (Serco Geografix Limited) engaged in a concerted effort to lie to the Ministry of Justice in order to profit unlawfully at the expense of UK taxpayers."

"Serco's poor management of prisons in Queensland and Western Australia was instrumental in those governments taking back control of a number of correctional facilities. Serco also lost its Mt Eden Prison contract in New Zealand and was fined NZ\$8 million following widespread evidence of understaffing, poor supervision and reports of extreme violence and neglect," said Mr Kitchin.

Serco has an extensive history of high-profile scandals and failure to meet contractual obligations associated with its business operations. This history has been extensively documented.

In Australia, Serco's operation of the South Queensland Correctional Centre was the subject of scathing criticism from the Queensland Crime and Corruption Commission.

In the UK Serco has been the subject of criminal and statutory inquiries.

WESTERN AUSTRALIA

September 2018 Acacia Prison, Western Australia: Prison sources, including prison officers, went public with concerns about serious issues, describing Acacia as a "dangerous and unsafe work environment" - "a powder keg waiting to explode." These issues included overcrowding, severe understaffing (as few as 83 officers to 1400 prisoners), and staff corruption, with Acacia officers charged last year for smuggling drugs and sexual misconduct. Other issues included appointments outside of the prison taking months to organise and confirm and medical, dental and psychiatric appointments being cancelled due to a lack of transport services.

Wandoo Reintegration Facility: WA's Wandoo Reintegration Facility was operated by Serco from 2012 until 2018 when it was returned to Government control with plans to re-purpose the facility as a dedicated drug and alcohol rehabilitation prison for women. Premier Mark McGowan said that bringing the facility back into public hands would save taxpayers' money. "We have to stop the revolving door of re-offending when it comes to drug and alcohol addiction, particularly with meth."

QUEENSLAND

Queensland Crime and Corruption Commission Taskforce Flaxton – an examination of corruption risks and corruption in Queensland prisons which reported in December 2018.

Specific issues identified by the Taskforce included: The use of excessive force, overcrowding, misuse of authority, introduction of contraband, and inappropriate relationships.

In relation to private prisons (Serco operates Southern Queensland Correctional Centre) it makes the following specific finding:

The State is responsible for the humane containment, supervision and rehabilitation of offenders. A significant proportion of prisoners will be detained in one of Queensland's two privately operated prisons — AGCC and SQCC. This marketised approach, where prisons are operated by private, profit-driven organisations, disconnects the State from direct responsibility for the delivery of privately operated prisons. This model creates challenges for the State in ensuring prisoners detained in privately operated facilities are treated humanely and have appropriate access to programs and services. In 2016, the Queensland Audit Office (QAO) reported that the private operators had not consistently met QCS's expectations for best practice performance against the contracted key performance indicators (KPIs) and identified the need for QCS to strengthen how it manages operator performance to drive continual performance improvement. (p.10)

The Chair, Alan MacSporran told the media that the Taskforce considered that outsourcing had inherent corruption risks:

We have flagged corruption risks that arise simply by virtue of the model that is operated by the private sector. You can't have one overarching framework within which integrity and governance is monitored when you have a public private system.

NEW ZEALAND

2017 Mt Eden Prison New Zealand: Serco lost its Mt Eden prison contract and was later fined NZ\$8 million following widespread evidence of understaffing and poor supervision and reports of extreme violence and neglect. After videos circulated on social media of an inmate "fight club", a Chief Inspector's report found that organised fighting was occurring once a week. The report also found there was a lack of supervision by staff and that staff were a primary source of contraband.

UNITED KINGDOM

In the UK Serco has faced a number of criminal and statutory investigations in the last several years. As a consequence its business reputation has suffered significant damage and it has incurred substantial financial losses as a result of its failure to meet its contractual responsibilities.

2012 NHS Fraud: Serco was investigated for NHS fraud on one of its UK health contracts ([Cornwall out-of-hours GP services contract](#)). [Serco was found to have engaged in](#) fraudulent record keeping and manipulation of results by managers when it failed to reach targets.

2017 Paradise Papers: The Paradise papers revealed that the compliance arm of law firm Appleby listed Serco as a "high risk client" due to a history of controversies, engagement in fraud, cover-ups of abuses in facilities it runs, business irregularities, financial failures, and fatal errors surrounding many of its contracts. In addition to the above, these included problems

associated with Serco's involvement in Obamacare, its activities as part of a consortium the UK's Office for Nuclear Regulation [accused of breaching responsibilities](#) for the handling of radioactive waste, and the running of prisons in Australia and New Zealand.

For all media enquiries, please contact PSA Communications Officer, Craig Greer – 0409 770 344