



# MEDIA RELEASE

## Public Service Association of SA Inc

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### **SA EMPLOYMENT COURT FINDS GOVERNMENT IN BREACH OF ENTERPRISE AGREEMENT**

South Australian Employment Court today found the state government has breached the enterprise agreement by failing to consult with Corrections staff about the privatisation of the Adelaide Remand Centre.

PSA General Secretary Nev Kitchin said the Court's decision sends a strong message to the state government about the requirement to comply with its obligations to involve staff in decisions affecting their employment.

"The decision confirms what we've said all along, that the government is required to consult with employees and the PSA on decisions that clearly affect their safety, their employment arrangements, and their future," he said.

"Employers are required to abide by the terms of enterprise agreements and the state government should be an exemplary employer in this regard. Instead, the Department and government has shown complete disrespect and contempt for the Corrections workforce," he said.

"Genuine consultation with people directly involved is important because informed decisions are better than ill-informed decisions, and employees have a longstanding legal right to be consulted about matters that affect their working lives," said Mr Kitchin.

"The Court has flagged it will order the government to engage in consultation with the PSA and its members on a wide range of issues arising from the decision to privatise the Adelaide Remand Centre." (see para 184 of the decision)

"There's no doubt this is an important win for the PSA – the state government has put significant resources into defending its efforts to keep employees in the dark. They must now come clean on why they have tried to privatise the ARC 'through the back door'," he said.

"It's time the Marshall government stopped this privatisation in its tracks. The evidence shows that by privatising the ARC the government is exposing corrections staff to very real dangers – privatisation always leads to reduced safety through increased assaults, increased drug use, increased recidivism – there will be fewer staff with less training."

“Serco, the company that won the contract for the Remand Centre has a scandalous track record when it comes to managing private corrections facilities,” he concluded.

## **SERCO’S RECORD SPEAKS FOR ITSELF**

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 New Zealand Serco lost their contract for the Mount Eden prison and were fined \$8m following widespread evidence of understaffing and poor supervision and reports of extreme violence and neglect.

In the UK Serco 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**