

# VERIFIED TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2006-07

Melbourne — 3 July 2006

#### Members

Mr W. R. Baxter

Ms C. M. Campbell

Mr R. W. Clark

Mr B. Forwood

Ms D. L. Green

Mr J. Merlino

Mr G. K. Rich-Phillips

Ms G. D. Romanes

Mr A. Somyurek

Chair: Ms C. M. Campbell

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#### Staff

Executive Officer: Ms M. Cornwell

#### Witnesses

Mr T. Holding, Minister for Corrections;

Ms P. Armytage, secretary; and

Mr A. Clayton, executive director, Department of Justice.

**The CHAIR** — I declare open the Public Accounts and Estimates Committee hearings on the 2006–07 budget estimates for the corrections portfolio and the police and emergency services portfolio. I welcome the Honourable Tim Holding, Minister for Police and Emergency Services and Minister for Corrections; Ms Penny Armytage, secretary, and Mr Alan Clayton, deputy secretary, Department of Justice; departmental officers, members of the public and media are also welcome.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. All evidence given today is being recorded and witnesses will be provided with proof versions of the transcript by email for verification and will have two working days in which to verify them. Could all mobile phones please be turned off now? I call on the minister to give a brief presentation on the more complex financial and performance information that relates to the budget estimates for, initially, the portfolio of corrections.

Minister, after you have done your overheads in relation to the corrections portfolio we will have about 1 hour and 15 minutes for questions on that portfolio. Thank you.

**Mr HOLDING** — Thank you, Chair, and to the members of the committee for the chance to present. As a former member of the PAEC, I am conscious of the need to keep the presentation brief, so I will do so.

**Slides shown.**

**Mr HOLDING** — This is a quick overview of the portfolio. I gave a similar slide to this last year; this has just been adjusted to reflect the budget numbers for 2006-07. You can see there the break-up across the different parts of the Department of Justice expenditure outputs.

The next slide gives you a quick snapshot of the corrections system: the number of offenders in our system at the moment — the numbers in custody as of 30 June 2006. There is then a number on parole; and of course the largest number of offenders are actually within the community corrections system. Obviously whilst the dollars are absorbed within the prison system, most of the offenders who come into contact with corrections are actually on community based orders of one sort or another. We have 13 prisons across Victoria, a large number of staff, and of course community corrections locations in different parts of the state.

Going to the next slide, the key focus of the portfolio over recent years has been to reduce reoffending. You would recall — and I will say more about this in a moment — that we had a significant spike in prisoner numbers in the 1990s. Victoria has a long and proud history of having a relatively low incarceration rate compared to other jurisdictions. These are some of the ways in which we have been developing our programs to make sure that the prison experience is not just one that is focused on the deprivation of liberty but also focuses on reducing reoffending by providing programs aimed to do that — cognitive skills, sex offender programs, violent offenders, employment placement for post-prison release, and a homeless program to deal with providing secure accommodation for offenders when they leave prison.

This is something I touched on just a few moments ago. The top line on that graph reflects our projections of where the prisoner population in Victoria was likely to go if we had not put in place our corrections long-term management strategy earlier this decade. You can see there that the bottom line shows the actual trend in prisoner numbers since the strategy was put in place. It shows that we have been able to, in a sense, protect Victoria from the significant increase in prisoner numbers that other states and territories have experienced. It was actually quite interesting when we had a meeting of corrections ministers in Adelaide last week; other states are very interested in the work that Victoria has done in this area. Other states are coming to see what we have done; how we have used those programs that are aimed at reducing reoffending within the prison system to actually reduce and manage our prisoner population in a more effective way.

Recidivism in Victoria — obviously the key question to ask is how are we going; how are our programs working. If people are leaving prison and continuing to reoffend, then we have to ask ourselves why and what can we do about it. These two lines show that basically in the mid-to-late 1990s reoffending rates climbed, and climbed significantly. We have two indicators there — the bottom line reflects the offenders who have returned to prison, in other words, received custodial sentences; and the top line reflects the cumulative number of those who received either a custodial sentence or a return to the corrections system through contact with community corrections or what have you.

What it shows is that those numbers peaked in about 2001–02, and then it started to trend down. We would like to see them trend down more, but they are a key driver and indicator of our success, and we are coming off a period of significant increase in the latter period of the Kennett government.

This just shows Victoria's imprisonment rate vis-a-vis other jurisdictions. We have the lowest imprisonment rate of any state of Australia. Of course if you compare us to the Northern Territory — not that we would ever seek to be compared in any way with them — those figures are quite alarming and reflect unique issues to the territory, including its very significant numbers of indigenous people.

This is just an international comparison. You can see the Australian average there. Victoria plays a significant role in keeping the Australian average down, but you can see — the US speaks for itself. In fact the US figure is slightly flattering when you look at particularly states like Louisiana and Texas, which have very high incarceration rates. That is a product of laws like the 'Three strikes and you're in!', which hamper judicial discretion. They have an inevitable impact over time to drive prisoner numbers up.

The next slide shows the budget initiatives from 2005–06; security upgrades and new staff for SEG. The next slide shows the budget initiatives for this year. We have invested in a new high-security unit, the Grevillea Unit at Barwon Prison — I am happy to take questions about that — and extra security initiatives that will help escort high-profile prisoners around our prison system in a more effective way. Really that is what we are aiming to do: rehabilitate people, provide better life skills and make sure that people who come into contact with our prison system do not return.

**The CHAIR** — Thank you, Minister. One of the questions that PAEC has asked each minister relates to terrorism and security issues. I would like you to outline any expenditure that has been allocated in this budget to combat terrorism and organised crime. I would like to know what money has been spent on it.

**Mr HOLDING** — Obviously that question is particularly relevant to the corrections portfolio. Victoria has seen in recent years a significant change in the profile of our prisoner population, and that change has been built around the fact that we have more and more prisoners who represent a very high security risk to our corrections system — both organised crime figures, figures who stand accused of so-called gangland killings and, more recently of course, the first people to be received into our prison system who stand accused as terrorism suspects.

Victoria has more of them than any other state or territory, and so we put in place some initiatives which you can see in this budget reflect that. Our prison system is now accommodating 14 prisoners charged with terrorist offences and alleged terrorist offences. They have been placed into the high-security Acacia unit at Barwon. That has meant we have obviously had to relocate the so-called gangland figures, and that is why the upgrade to the Grevillea unit is so important. All of these cases are high-profile cases; they receive a great deal of public prominence. They involve often very complex legal arguments, so the need for frequent court appearances is significant, whether that is done through videoconferencing at the prison itself or through providing more secure transportation so they can get to court for their court appearances when they need to attend physically.

We have an expectation that over the next 12 to 18 months the demand for the containment of these kinds of offenders will increase. That is why we have secured additional funding: \$20.085 million over four years for an improved response for high-security prisoners. You can see there that this money will be spent on the special emergency services group staff who conduct the high security escorts — additional equipment for those staff — ballistic vests, helmets, firearms; and an additional high security transport van. This is in addition to the vehicle that we purchased last year which I provided information about to the committee last year.

We are also providing additional mental health services at Barwon Prison. That is important because these prisoners are contained within a very rigorous contained framework with fewer out of cell hours than other prisoners. We are conscious that over time that could have an impact on offenders, and we need to make sure that we have appropriate support for those offenders. We have also conducted a range of works within our prisons to make sure that the internal walls, cameras and infra-red systems et cetera are as effective as they could be.

**The CHAIR** — Do you have any more detail other than \$20.085 million over four years? Do you have anything that you would like to provide to the committee?

**Mr HOLDING** — I can say that we have got 12 SESG escort staff members at \$4.85 million over four years; a major offender unit staff member; additional support staff at Grevillea at \$4.448 million; and the vehicle

running costs for the high-security vehicle is about \$80 000. We have 20 ballistic vests at \$22 000; 54 ballistic helmets at \$24 000; replacement of SESG operational firearms at \$121 000; tactical operational equipment at \$3500 per member; radio and mobile phones; minor works at the Port Phillip — which I have referred to — \$150 000; and the Grevillea unit conversion, which is \$6.8 million, and that is to upgrade 25 beds in that unit to provide high-security accommodation.

**Mr CLARK** — You referred in your presentation to the sex offender programs and also to the placement of prisoners on release. You will be aware that there is a proposal to locate six former prisoners convicted of paedophile or sex offences at the Langi Kal Kal prison. Can you tell the committee what the current status is of that proposal and what arrangements have been made for the six persons who were to be housed there but apparently are not going to be housed there, at least for the time being?

**Mr HOLDING** — Sure. It was a proposal that was considered by Corrections Victoria. Obviously the management of housing of sex offenders, particularly serious high-profile sex offenders, upon their release from prison can be extremely problematic. Corrections Victoria developed a proposal to consider the use of some accommodation on the outskirts of the prison at Langi Kal Kal for accommodating those prisoners. Indeed at that time I think the Liberal spokesperson, Mr McIntosh, said that it seems to be the most practical and inexpensive solution to detain them within the prison precinct. That was in the *Pyrenees Advocate* on 31 March 2006.

Following consultation with the local community, I took the view that it was not the most appropriate way of accommodating these offenders in the long term, and that in fact the vast majority of offenders on extended supervision orders can be accommodated within the community more generally and in fact are at the moment. There are a very small number of offenders on extended supervision orders — a very small number; two or three at any given time, perhaps a couple more depending on their profile — for whom it is not appropriate for them to transition immediately into the community following their release from prison. An example of that is Robin Fletcher whose sentence at Ararat prison recently expired but who has not been released into the community. He has been contained within the Ararat prison, but in accommodation that will essentially be separate from the rest of the prison population.

We think this is an appropriate measure to put in place. It is done so at the direction of the Adult Parole Board, which is best placed to make a judgment about what the appropriate accommodation for these offenders is. I would reiterate that for the vast majority of offenders, even those on extended supervision orders, placement in the community is the most appropriate place for them following the expiration of their prison sentences. There is a very small number who need more secure accommodation than that, and in the case of Mr Fletcher we are pleased that the Adult Parole Board has taken the view that accommodating him within the prison perimeter — within the prison walls — at Ararat prison is appropriate. There is scope for other offenders to be accommodated there. A small number — a couple at any time, or maybe three or four at any time — can be accommodated in similar arrangements pending their transition into the community if it is deemed appropriate.

**Mr CLARK** — What arrangements have been made for the six that were going to be at Langi Kal Kal?

**Mr HOLDING** — There was never a list of six that would necessarily be at Langi Kal Kal. We were simply providing a certain amount of accommodation. To make it clear, the accommodation that was proposed at Langi Kal Kal was fundamentally different than where Robin Fletcher has been placed. The Langi Kal Kal accommodation was outside the prison perimeter. It was within the grounds of the prison but outside the wall. It was accommodation that was used by staff at the prison. The accommodation where Robin Fletcher is is inside the perimeter of the prison. It is not former staff accommodation, and it reflects the different risk profile that he presents. We take the view that the majority of people on extended supervision orders should be in the community. Their prison sentences have expired. What we seek to do is supervise and monitor them, not deprive them of their liberty within a prison context.

**Ms ROMANES** — Minister, in last year's budget, the 2005-06 budget, and in budget paper 3, page 270, in the output initiatives for last year, is listed the Better Pathways initiative under the Fairer Victoria initiative. That was aimed at reducing women's offending and the number of female prisoners. Can you tell us more about that program, its initiatives and how it is progressing?

**Mr HOLDING** — Thank you very much for that. It is an opportunity to bring the committee up to speed on something that we talked briefly about last year, and that is the Better Pathways strategy. I have a copy of the

strategy here and it has been handed out to members of the committee already. I launched this last year. This strategy essentially reflects the fact that the prisoner population for the numbers of female prisoners spiked significantly in the late 1990s and the early part of this decade. In fact, we saw something like an 82 to 84 per cent increase in the numbers of female prisoners in our prison system. As you would have seen from the data I displayed earlier, whilst the numbers of female prisoners as a proportion of the entire prison population is not great, they saw a significant increase over that period. The Better Pathways strategy represents the government's best endeavours to respond to that crisis and to make sure that we put in place policies which reflect the distinct and unique needs of women offenders.

To give you a sense of the difference, if you like, between women offenders and males within the prison system and within corrections more generally, we do see higher rates of mental illness among women prisoners; we see a strong prevalence of victimisation, often including histories of sexual abuse; high rates of substance abuse; a link between their crimes and their need to support their drug use. Often we see histories of unstable accommodation or prolonged periods of homelessness, and also low rates of educational attainment and high rates of unemployment.

The Better Pathways strategy, firstly, provides a range of new programs that enable women to more effectively engage in activities which will reduce their likelihood of reoffending. We see upgraded education facilities and vocational training for women at the Dame Phyllis Frost Centre, and also the provision of a new 20-bed mental health unit at Dame Phyllis Frost. We have also upgraded the prison industries facilities which we think will help support better employment outcomes and vocational outcomes for women when they leave prison.

We have also put in place more effective programs to help women make the transition from prison back into the community. We think this is an effective way of reducing reoffending. Programs aimed at supporting women who have children to seek to find work and those sorts of things, as well as other programs such as bail support and other things that we put in place in earlier years. We think comprehensively this strategy will reduce the rate at which women reoffend. We believe it will provide better support for women who leave the prison system and seek to be integrated into the community. It will improve educational and employment outcomes, reduce homelessness and we think, over time, deliver better outcomes for female offenders and therefore better outcomes for the rest of the community.

**The CHAIR** — I was looking at the Women's Correctional Services Advisory Committee membership and at an extremely impressive list of contributors there, Minister. Do they receive a sitting fee?

**Mr HOLDING** — They are not paid for their work. No, they do not receive a sitting fee. The advisory committee was established by the previous minister, chaired by the parliamentary secretary, Jenny Mikakos, and they do a great job.

**Mr RICH-PHILLIPS** — Minister, I would like to ask you about prison capacity and the use of prison capacity. Page 185 of BP3 lists the average daily utilisation at 90 to 95 per cent, which presumably implies an average daily vacancy of 5 to 10 per cent. You would be aware of the number of prisoners that in recent months have been held in police cells. I think the figures from the DOJ a month or so ago showed more than 200, most of whom were either remand prisoners or had already been sentenced. Of course, you would also be aware of the case at Narre Warren and Dandenong of the individual prisoner who had been shunted between the two stations for 72 days before attempting suicide.

Can you tell the committee, please, given there is an apparent 5 to 10 per cent vacancy in the prison system, why there have been more than 200 prisoners held in police cells in recent months and why in some instances, such as that Narre Warren example, individual prisoners are held for so long — in that case 72 days — in the police cell system rather than the prisons?

**Mr HOLDING** — Thank you for your question, Mr Rich-Phillips. The first central question you asked was why, if there is not a 100 per cent utilisation rate, would anyone be in a police cell, or would there be large numbers of people in a police cell? There will always be prison cells which are not fully occupied, and there are lots of good reasons why. Firstly, the prisoner profile of people in police cells may not meet the profile of the available cells. Not all cells in the system are high-security cells; some are medium security, some are maximum security, some are minimum-security cells. Some cells in the prison system are for protecting prisoners, some are for prisoners with mental health issues or whatever, like the Acute Assessment Unit at the Melbourne Assessment

Prison. The prison population needs to match the nature of the cells that are available as well as matching the raw figures. So that is the starting point.

There will always be spare cells and it is appropriate for us to keep some cells spare — for example, following Operation Pendennis last year when we picked up those people who now stand accused of terrorism offences — it would have been an unacceptable situation if we had not had some maximum-security cell capacity immediately available in the prison system, because we would have had to accommodate those prisoners — those very high-profile prisoners — in a cell profile which did not meet their security classification, and that is not something that we would be prepared to do.

The question of prisoners in police cells is an interesting one. We will circulate these for the committee. This shows the trend over a period of time and you can see that it goes up and down. When we came to government the average numbers in police cells, not in the prison system, was 208; that was the average for the year 1999 — 208. The average for this year is tracking at — it reached a high of 344 in March 2001 and what we are seeing at the moment is average prisoner numbers in police cells overnight for the calendar year to 27 June 2006 has increased to 179.6 from 159.7. This represents the decommissioning of old prisons and new prison stock coming online and the lag that occurs between the old prisons being decommissioned and the new prisons being commissioned. I just want to put this in context. This figure is lower than the daily average prisoner numbers calculated at 10.00 a.m. each day, which is when we take our figures from, which on 27 June 2006 was 206.7. This figure is up from 188 at the same time in 2005, an increase of 9 per cent. This figure includes prisoners removed from Corrections Victoria facilities to police cells. The average number of prisoners serving 20 days or more has declined. We have seven prisoners as at 20 June this year, compared to 65 prisoners serving 20 days or more before the Metropolitan Remand Centre opened.

I have a chart here which shows the number in police custody as of 23 June 2006 in police cells at 116, which is the lowest figure for a long, long time. It follows the opening of the Metropolitan Remand Centre and it is a figure that is almost 100 less than the average for the year when we came to government. In other words, prisoner numbers in police cells have declined significantly since we came to government. In fact they have almost halved.

**Mr RICH-PHILLIPS** — That has only been in the last couple of weeks, though, according to your own chart.

**Mr HOLDING** — That is because of opening of the Metropolitan Remand Centre. I think everyone knew that the process for the decommissioning of old prison stock and the opening of new prisons was always going to create some pressure on police cells. We saw that a couple months ago, and we are seeing that as prisoners are being received into the Metropolitan Remand Centre, prisoner numbers in police cells have declined dramatically.

**Mr RICH-PHILLIPS** — The other part of the question related to the time spent, and you gave some figures about the numbers up to 20 days. With that particular example of the attempted suicide after 72 days in cells, what background can you give the committee as to why that particular prisoner was shunted between the Dandenong and Narre Warren stations for so long? Was that a systemic failure or a one-off?

**Mr HOLDING** — If we look at the number of prisoners who are in police cells for 20 days or more and for 10 days or more, the number who are there for 20 days or more as of 23 June 2006 — there are seven. The numbers that were there for 20 days or more under the previous government were significantly higher. In fact it was more than double. For between 10 days and 20 days we have 16. Earlier in 2006 the numbers were much higher, and the reason was we did not have the additional capacity that the Metropolitan Remand Centre represented. The numbers were as high as 68; they got even higher than that — they got to 85 at one stage. That was something we were very concerned about that. The reason why we have opened the Metropolitan Remand Centre is for the first time in Victorian history the government is recognising that we have international obligations to separate remanded prisoners — that is, prisoners who have not received a custodial sentence — from sentenced prisoners. We have now provided prison infrastructure which enables us to achieve that. I might add, the corrections inspectorate is reviewing the case you referred to in Narre Warren, and it will provide me with some additional advice on the particular circumstances of that case.

**Mr RICH-PHILLIPS** — Would you in turn be able to provide that to the committee?

**Mr HOLDING** — I do not think it is within the ambit of the Public Accounts and Estimates Committee to be informed of the particular circumstances of a case of an offender.

**Mr RICH-PHILLIPS** — Just from the point of view of how an individual ended up spending 72 days in the cells—

**The CHAIR** — The minister has answered that, Mr Rich-Phillips.

**Mr MERLINO** — Minister, graffiti continues to be a problem in many parts of Victoria, particularly in parts of my electorate. Money has been allocated to community correction services in the budget to continue to tackle this issue. Can you provide this committee with an update on the government's graffiti programs and particularly how this money will be spent?

**Mr HOLDING** — I am very pleased to provide this update; this is a very important issue. We are concerned about the prevalence of graffiti, not just in the metropolitan area but in some of our regional centres as well. In November 2005 as part of a \$1 million announcement to tackle graffiti we put aside \$124 000 to supply offenders to clean up both state and local government public assets.

These offenders, who are on community-based orders, have increased from about 66 when this program was first introduced to over 800. They have cleaned up graffiti on local and state government assets across metropolitan Melbourne, totalling graffiti removal of over 21 000 square metres and contributing over 5800 hours of unpaid community work. The offenders have cleaned graffiti from facilities such as railway corridors, subway underpasses and rail viaducts in both Melbourne and Geelong and also graffiti at the Royal Children's Hospital. I am pleased to inform the committee that I did my bit and joined them to clean up a little bit of the graffiti at the Royal Children's Hospital — not on any order, I might add!

**The CHAIR** — A supplementary question came to mind, but I was not going to ask it!

**Mr HOLDING** — Corrections Victoria supervises work teams that contain 7 to 11 offenders working in the program each day. In this state budget we have provided another \$800 000 to continue and expand the program to 11 additional locations. Including the inner city and metropolitan Melbourne we will be providing support in lots of different parts of the state including Carlton, Geelong, Frankston, Dandenong, Sunshine, Ringwood, Newport, Heidelberg, Greensborough, Ballarat, Bendigo and Bairnsdale. We have also provided \$366 000 through the Department of Justice to assist in cleaning up the Richmond to Flinders Street rail corridor and other rail assets.

Victoria Police have also established an anti-graffiti task force, and they have arrested something like 45 alleged graffiti vandals since the task force commenced its work. These people have been charged with dozens of different offences. These have included one male aged 18 who is accused of \$15 000 worth of damage in bayside Melbourne, while another 17-year-old is alleged to have caused \$10 000 worth of damage in the Bentleigh area.

I might add that the new vehicles that are being used by these graffiti clean-up crews are actually being manufactured within our prison system by our prison industries, so it really is a cradle-to-grave operation. The vans are manufactured at Barwon Prison and used by offenders on community-based orders to clean up sites right across the state.

**The CHAIR** — By way of follow-up, minister, do you provide all of the cleaning equipment — the paint and the materials — to do it?

**Mr HOLDING** — We do, and I might add that the cleaning agents themselves are biodegradable and environmentally friendly.

**Mr CLARK** — The minister may well be aware that in a report in April this year on the 2004–05 budget outcomes recommendation 64 recommended that the Department of Justice publish the results of the external evaluation of the effectiveness of the home detention pilot program.

Can you tell the committee whether you propose to publicly release that report, and if so, when? In the meantime perhaps you could tell as either now or on notice how many offenders have participated in the home detention scheme since it was introduced, how many breaches of orders have there been and how many offenders have gone to prison for breaching their detention orders.

**Mr HOLDING** — Thank you, Mr Clark. I will start with some of the data and information that you were seeking. To date, 162 home detention orders have been made, of which 134 have been made by the Adult Parole Board. You will recall that it is in a sense a dual-entry system; you can either enter it through the Adult Parole

Board at the end or part way through your custodial sentence, or you can be sentenced by a magistrate. Obviously at this stage the vast majority of entries have been through the Adult Parole Board.

The board has revoked six orders due to breach, representing a breach rate of 3.7 per cent, which is a much lower breach rate than the breach rate we see for parolees. All of these breaches are attributed to positive urine screens, indicating illicit drug use, and as you would recall part of the system is that offenders in the program must remain drug and alcohol free, and we frequently test them. The breach rate for parole is 29.8 per cent, so you can see that the breach rate for home detention orders is very low.

The program itself is available to people who are 18 years or older. They are ineligible if they have committed a serious violence offence, a weapons offence or a serious sexual offence. They cannot have been convicted of stalking or breaching an intervention order. They are to have had no history of drug charges relating to commercial trafficking quantities. They must have suitable accommodation in that the accommodation itself must be stable; it must lie within the program boundary. The fact that they will be living at a proposed address must be agreed to by the person who already lives there, and they have to be generally deemed to be a person who is suitable for home detention and have a minimum security status.

The evaluation report itself is still a work in progress, and we would want to continue our discussions with the courts on their use of home detention and the ways in which we can improve the front-end operation of the system. Obviously we will be liaising with the Adult Parole Board as part of the assessment of that evaluation report.

**Mr CLARK** — Do you object to making the report public when it is completed?

**Mr HOLDING** — We will consider that when the report itself is actually completed.

**The CHAIR** — How many of the breaches went to prison?

**Mr HOLDING** — They would all have been returned to prison. All of the breaches are immediately returned to prison. The parole board has taken a very tough line on that. If a person has breached, they are immediately returned to prison.

**Mr SOMYUREK** — Earlier on in your answer to Mr Clark's question you referred to high-security transfer of vehicles, and you gave the committee a break-down of the expenses incurred there. Could you please tell us more about these vehicles and why they are necessary?

**Mr HOLDING** — Thanks for that, Mr Somyurek. I mentioned earlier the risk — not just those who we refer to as our gangland figures or gangland offenders but also those who have been arrested in connection with so-called terrorism offences. We are now seeing a larger number of high-security transports within the correction system taking place between prisons themselves, but also more frequently between prisons and courts. In 2003 we had 25 prisoners on average on the high security escort list; we now have 41. These offenders are now reaching the phase where their trials will increasingly be conducted, so there will be increased movement.

The vehicles we are talking about essentially are aimed not just at minimising the risk of the escort but also at making sure that staff are kept secure and that those in the immediate area are also safe and secure. Obviously you want to make sure that we minimise the likelihood of a successful escape attempt. We also require additional staff to be involved in the escort of these prisoners, and additional staff will be provided. Twelve additional staff will bring the total number of escorts to 18.

The budget funding also provides for the purchase of a high-security transport vehicle, and we are in the process at the moment of identifying and contracting with a suitable manufacturer for the provision of that vehicle. I would show the committee a picture of that wonderful device, but I will have to save that for the next time we have a chance to do this. We expect that the cost of that vehicle will be somewhere in the order of \$340 000.

**Mr RICH-PHILLIPS** — I would like to ask you about the work prison gangs and Landcare projects. I understand that Won Wron had five Landcare groups before it closed and Beechworth had two, but I understand Beechworth has now been cut to one. Can you give the committee any information on why that decision was taken?

**Mr HOLDING** — I can provide the committee with some information. This is one of the more popular things prisoners do. There are not many things that prisoners get to do that we can describe as popular.

**Mr RICH-PHILLIPS** — Popular with the community or with the prisoners?

**Mr HOLDING** — Both. Prisoners appreciate the opportunity to work in an outdoor environment. Most prison industries are indoor activities, as you can imagine. These are greatly appreciated by the local community as well. It is an opportunity for them to see some benefits. There are many benefits to having a prison in a local community and this is one of them.

There are currently six full-time equivalent prison Landmate scheme crews — 1.5 at Ararat; at Langi Kal Kal, Loddon, Dhurringile and Beechworth there are 1.5 as well. That is the existing profile across the prison system. There is an additional crew performing similar work at Loddon prison, and that is being funded by the North Central Catchment Management Authority.

I will not bore the committee with all the different changes in this funding model. It is a funding model that exists between the Department of Sustainability and Environment and Corrections Victoria. DSE picks up some of the costs and Corrections Victoria picks up the balance of the cost as part of our subsidy for prison industries.

There was consideration given to winding back their Landmate operations at Ararat and Loddon prisons and at Beechworth Correctional Centre in 2006–07. That was on two grounds: firstly, the configuration of the new prison system — the new prisons that I mentioned that were coming on-stream; and also a funding shortfall between the two — the fact that Corrections was increasingly, in a sense, funding more and more of the program and DSE's contribution had remained relatively static.

We made representations to DSE. We will be maintaining the level of Landmate engagement. We have been able to increase the activity at both Ararat and Langi Kal Kal by 0.5 crews and at Beechworth by 0.5 crews, and we will have reduced activity at Loddon by 1 crew. What we will actually see is that the amount of Landmate crews will be maintained. I am really pleased to be able to reassure Mr Rich-Phillips about the earlier reports around that: whilst they accurately reflected consideration that was being given by the department at that time, we have actually been able to obtain additional resources which can ensure that the same level of Landmate support continues.

**The CHAIR** — Are they highly sought after by Landcare groups?

**Mr HOLDING** — They are. They enable prisoners to do something that is really practical and useful. In fact we saw a lot of use for them following the bushfires in the area of Ararat, Stawell and Halls Gap earlier this year. One of the things that came through the bushfire recovery task force was a request for additional Landmate crew activity to occur.

**Ms GREEN** — Minister, in your last slide there is a note that prisons now help rehabilitate prisoners. Could you explain to the committee how this principle is being applied at the new prison at Marngoneet?

**Mr HOLDING** — This is a good question because Marngoneet, I think, whilst it is not the biggest prison in our prison system, is actually one of most interesting. It is what we call a corrections programs prison. Its focus is on delivering programs which will reduce reoffending and support the rehabilitation of prisoners. It is a 300-bed prison. It accepted its first prisoners on 31 March 2006. The eligibility criteria for transfer to Marngoneet is that prisoners must have a minimum of six months left to serve. Obviously, with a focus on programs they have to be there for long enough to be able to access those programs. They need to be assessed as being at a 'moderate' to 'high' risk of reoffending. We are looking at people who, from their profile, are likely to reoffend when they leave the prison system. They need to have a security rating of 'medium' or 'minimum' at the time they are transferred. There is a special focus on sex offenders because the sex offender program will be delivered through Marngoneet also.

The intensive treatment program is currently directed at sex offenders, violent offenders and offenders with drug or alcohol abuse issues. Over 60 per cent of current prisoners at Marngoneet are participating in offender behaviour-related programs with others being prepared for program commencement or undertaking assessment prior to allocation to programs. We have divided the prison into three physical accommodation areas — Flinders Peak, Station Peak and Rothwell. Each has about 100 beds and is designed to provide a normalised day-to-day living arrangement to promote personal responsibility. We think that is an effective way of making sure that the prisoners take some level of responsibility for their own activities within the prison itself. We are delivering through the Rothwell area sex offender programs and drug and alcohol and violence intervention programs for the

protection prisoners. At Station Peak we have commenced a range of drug and alcohol intervention programs, from educational to more intensive ones. On 24 June the prison reached its full custodial staff.

We are very pleased that Marnongnet is now a fully functioning prison with the exception of prison industries which are currently in the process of being established. So we think this prison will play a very important part in the broader prison system itself. Two hundred and thirty five of the 300-prisoner capacity are living in the prison itself and accessing programs that we think will reduce their likelihood of reoffending.

**Mr CLARK** — I have another question relating to the April report on the 2004–05 budget outcomes. At page 289 we refer to the desirability of a greater level of disclosure relating to prison costs and performance measures. Could I ask: have you reached a decision whether or not you accept our proposals for greater disclosure, and what are you able to tell the committee now or on notice about the various items that we proposed should be disclosed, including expenditure totals for each prison under their major cost categories, average cost of housing a prisoner in each prison, explanations of variations, performance against service delivery outcomes for each prison, effect on fees and any commentary that is relevant to those matters?

**Mr HOLDING** — We have reflected on this for some time, Mr Clark, because the vast majority of this information is in fact already disclosed to COAG. In a sense it is already publicly available. So we are happy to continue providing that information that deals with average cost per prisoner across different prisoner profiles —

**Mr CLARK** — Per prison?

**Mr HOLDING** — We are happy to do a reconciliation between the information that the committee is seeking and the information that we already provide to COAG. In the vast majority of cases we are more than happy to provide that information.

There were some things last time around; some issues that would have adversely affected the contract renegotiations that are ongoing for the private prisons, and obviously in the past there was an interplay between the PAEC and the corrections minister on the question of the availability of some of that information.

In fact at the last meeting I recall making available an older copy of some of that information which would not have affected our commercial-in-confidence negotiations with the private prison operators; but that issue aside, we are happy to provide a greater level of information to the committee. It is just a question of identifying exactly what information the committee seeks and we can look at further breaking down —

**Mr CLARK** — As I say, it is set out on page 289 of our report. I am not sure what you give to COAG but I would be surprised if COAG released data at the individual prison level that we were proposing.

**The CHAIR** — Can I be clear on exactly what Mr Clark has requested and the minister has agreed to provide? We are asking in particular —

**Mr CLARK** — I am asking the minister to respond to the items on page 289.

**The CHAIR** — Okay. Minister, page 289 of our —

**Mr CLARK** — I can hand you a copy —

**Mr HOLDING** — Without trying to verbal Mr Clark, what I understand you are looking for is — and we already disclose average costs per prisoner — a break down which provides that on a per prison basis?

**Mr CLARK** — Yes. I think that is the key aspect of each of the items of our recommendations.

**Mr HOLDING** — We are happy to have a look at that.

**The CHAIR** — So that is taken on notice. Minister, the slides gave us some very detailed information on recidivism rates. They were quite interesting figures, showing the downward trend, and that is something I am sure from a budget perspective that is quite pleasing from your department's analysis. I would like you to outline to us the programs that you have set in place to reduce the recidivism rate and anything else to which you attribute this decline in recidivism?

**Mr HOLDING** — I start by saying that we very much attribute the decline to the success of our programs. In reducing recidivism, it is very easy — not very easy, but it is possible — to reduce numbers in prisons or numbers in community-based corrections by employing very blunt strategies which do not actually see a change in people's behaviour. But in order to reduce recidivism, both in terms of people returning to the prison system and people returning to community-based corrections, you need to have in place in some programs for that to occur; it will not just happen by chance.

This government introduced the bail support program which aims to enhance the chances of defendants receiving bail. That is obviously very important, because an offender on bail will find it easier to prepare their case prior to it proceeding to court than would a prisoner who is remanded in custody. We have also put in place our offenders in adult community education pilot program, which is a Corrections Victoria-funded joint initiative with the Department of Education and Training. This program aims to provide offenders with opportunities to re-engage with education in community settings and to develop basic and vocational skills that will increase their employability.

We have introduced the corrections housing pathways program which is a joint initiative with the Office of Housing. It is a collaborative effort between those two agencies to provide more stable accommodation options for offenders. We have introduced the employment pilot program which provides direct employment assistance, as well as referring offenders to other relevant support services. That is based on a case management model and has been very successful. The evaluation of the program has found that it is operating well, and its design matches government policy.

The Marmongoneet Correctional Centre, which I mentioned earlier, with its focus on programs, has obviously got a key role to play in reducing recidivism and reoffending. I might also mention the 600-bed Metropolitan Remand Centre. Obviously it is important because in providing secure accommodation for remandees, many of these offenders will end up not receiving prison sentences, or alternatively will have their time spent in remand recognised as part of their sentence when they are sentenced and may be released into the general community. It may be the only prison that they ever see the inside of. Therefore it is important that the prison itself provides accommodation that reduces the likelihood of people reoffending when they are released.

It is very important that it provides them with, for example, access to the materials they need to present their court cases when they go to trial. It also needs to provide secure accommodation for the protection of prisoners so that they are not stood over or come into contact with other prisoners who could see them likely to embark on further offending or a life of crime. We think the employment accommodation and education programs that I referred to, as well as the reconfiguration of the prison system through Marmongoneet and MRC, will have a significant impact on reducing reoffending.

**Mr RICH-PHILLIPS** — Minister, you would be aware of the high-profile hit-and-run test case of James Donnelly which occurred four years ago.

**Mr HOLDING** — Yes.

**Mr RICH-PHILLIPS** — More recently that case has received media attention as a consequence of the release of the person who committed the crime and the fact that Mr Donnelly's parents were unaware of the pending release of the person who had been incarcerated. When the Attorney-General appeared before this committee he indicated that including hit-and-run crimes on the victim notification register was something that the government would look at, but he also said it was your responsibility and he would talk to you about it. Has the Attorney-General raised this matter with you, and what is your view on including crimes such as hit-and-run cases on the victim notification register?

**Mr HOLDING** — Firstly, the Attorney-General has spoken to me. In fact he spoke to me on the afternoon of his appearance before PAEC and indicated the nature of the questions that he had been asked and the undertaking he had given. The relevant legislation is my responsibility, and of course we then commissioned a process to identify whether this was appropriate. Both the Attorney-General and I feel quite relaxed about it. We think it is probably good public policy to change the workings of the register so that those sorts of victims have the ability to interact with the system. We want to be satisfied before we introduce any legislative amendment that we have captured any other types of analogous offences. This is a high-profile case, but in any event we are very

mindful of the fact that the victims and the families affected by such incidents obviously want to be aware of information about offenders, and we are happy to facilitate the necessary legislative change so that can occur.

**Mr RICH-PHILLIPS** — Do you have any criteria upon which to decide what will and will not be included?

**Mr HOLDING** — We had the existing criteria which did not capture these sorts of offences. According to the victims register material that has been provided to me, the list will include victims of criminal acts of violence including assault, sexual offences, rape or intent to rape, stalking, child stealing, kidnapping, aggravated burglary, murder or attempted murder. Whilst that is not a definitive list, it is pretty close to it. We take the view that it is appropriate that the victims register takes these people into consideration as well.

One editorial comment I would make in relation to this case is that there has been a lot of discussion around the question of whether or not somebody who has been involved in a hit-and-run incident or a culpable driving incident ought to be eligible for home detention. There will always be differing views about this in the community, but I am strongly of the view that it is appropriate that somebody in this situation should ultimately be eligible for home detention if either the Adult Parole Board or a magistrate sees fit. I know it would be extraordinarily hard and distressing for the victims of such crimes to see the offenders in home detention. Nevertheless home detention seeks to facilitate offenders' rehabilitation and it seeks to deprive them of their liberty, but not in a prison context.

We heard before about the successful completion rates for home detention orders and the rigorous regime of drug and alcohol testing which results in people held on such orders being sent to prison if they fail those tests. We think it is a rigorous model, and we think there is a fundamental difference between a culpable driver — however appalling, tragic, irresponsible and negligent their actions may have been — and a person whose express intention as determined through the operation of criminal law has been to physically harm another human being.

These things will be debated and people will have different views. While I feel for the victims and respect their very strongly held views about those who have committed such offences, nevertheless the government remains of the view that home detention is appropriate for these offenders.

**Ms ROMANES** — Minister, my question also relates to victims and their rights, which are an important part of the corrections system and process. I note that on pages 181 and 182 of budget paper 3 there are various key performance indicators outlined there for victims support output and also an indication of steady growth in funding and support for victims of crimes. Can you tell us whether there are other initiatives that the government has undertaken to accommodate victims' rights? You have discussed some aspects of that with Mr Rich-Phillips, but are there any other initiatives?

**Mr HOLDING** — As you have noted, the Corrections Act provides for a victims register which we established in August 2004, and this enables an eligible victim to receive information about a prisoner who has been convicted of a violent crime against him or her. The information provided is restricted to information in relation to the administration of the prisoner's sentence, the prisoner's sentence length, the earliest release dates, their eligibility to apply for permits, any transfer interstate or overseas, any escape from custody, the prisoner's release on parole, any cancellation of the prisoner's parole and the death of the prisoner. The registered victim also has the right to make a written submission to the Adult Parole Board expressing any concerns regarding the prisoner's release on parole and any relevant supervision conditions they believe the prisoner should be subject to if granted parole.

It is quite important. I know that many of those on the victims register have availed themselves of those rights. There are currently 180 active victims and 25 inactive victims on the victims register. For the benefit of the committee, inactive victims are those who are no longer receiving information via the victims register due to the expiry of the prisoner's sentence or their removal at the victim's request. They make their submission to the Adult Parole Board four to six weeks prior to the board considering the prisoner for parole; 97 victims have taken the opportunity to do that and 12 applicants have not been approved for inclusion on the victims register. These situations have included applications against individuals who are no longer under sentence or who have not been sentenced to a term of imprisonment and where the applicant does not meet the definition of a victim as defined in the Corrections Act.

There have been no instances where a registered victim has not been advised of the release date of the prisoner prior to their release. We have obviously established the Victims Support Agency which we think has been a very

important part of providing additional support for victims. The Attorney-General recently released some important new initiatives around the sorts of support that we can provide for victims more generally within the system. We have also recently introduced some amendments to the Serious Sex Offenders Monitoring Act 2005 to enable the victims register to give victims additional information about child sex offenders who may be released on extended supervision orders. That is very important as well.

Overall we think this system is working well. There are always things we can do to refine it and improve it. A focus on victims' rights has actually been a relatively recent focus of the criminal justice system, and it is one that this government strongly welcomes. We are pleased that a lot of the initiatives we put in place are amongst the best and most effective anywhere in the world.

**Mr CLARK** — I want to come back to the issue of the intention to house paedophiles and other sex offenders at Langi Kal Kal. That plan was described by a spokesman for you in the Ballarat *Courier* of 25 May as being 'always only a proposal by Corrections Victoria'. Is it correct that the department issued eviction notices for the people who are living in the Corrections Victoria-owned properties where the ex-prisoners were going to be housed, and if so, how advanced was this plan at the time that you decided not to proceed with it after community opposition?

**Mr HOLDING** — Staff were issued with those notices, and the reason why is that, as the provider of accommodation, Corrections Victoria obviously has obligations under the Residential Tenancies Act. We were providing sufficient, I think quite extensive, early warning of the changes that were going to take place. The long and short of it though is that it was a Corrections Victoria proposal. It is one that the government has now decided not to proceed with. In fact we have ruled it out and we have said to the people in the Trawalla-Beaufort area that we will not be housing sex offenders in the perimeter of Langi Kal Kal by using that accommodation. I cannot be more explicit than that. We just will not be doing it.

I make the point, because I know there are always opportunists in politics who try to seize advantage from different things that occur, that Mr McIntosh at the time this proposal was floated said:

It seems to be the most practical and inexpensive solution to detain them within the prison precinct.

That is a direct quote from him in the *Pyrenees Advocate* of Friday, 31 March. We welcome the opposition seeking to work with the government to develop sensible, sustainable and long-term proposals to accommodate serious sex offenders in various places, but we would simply urge people to keep these sorts of proposals in perspective.

**Mr MERLINO** — Minister, in an earlier answer you referred to mental health and the fact that female prisoners are more likely to have serious mental health issues than males. Broadly on the issue of mental health can you outline to the committee what has been done to address this issue in the prison system?

**Mr HOLDING** — Thanks for that, James. I refer to the slide in relation to this. By way of introduction, before I actually engage in some of the specifics of the things we are doing, this is an interesting slide — —

**The CHAIR** — Can you read the header for Hansard?

**Mr HOLDING** — The slide is headed 'Changes in psychiatric patient beds and prisoner numbers in Australia'. This was provided at the corrections conference in Adelaide that I referred to earlier. The yellow line shows the decline in patients, involuntary patients, in asylums effectively since the 1940s. It shows something I think we would all think and believe — and I think quite correctly believe — is one of the better public policy initiatives that have been undertaken by successive state governments across Australia. This is essentially the policy of deinstitutionalisation, in which people have been taken out of asylum-type accommodation. But we have to recognise that at the same time prisoner numbers have increased over that period — and increased quite substantially.

Victoria has seen probably less of that increase than other states and territories. But it is not surprising to find that in some instances — well in all instances — our prisons are now accommodating more people with mental health issues than they have ever accommodated before. This has created a lot of strain on prisons, because prisons were originally designed to accommodate — not to be providing intensive mental health support.

I guess just in terms of some of the initiatives that the government is putting in place, we are recognising that an increasing number of our adult prisoner population are presenting with significant mental health issues and, more

broadly, with personality disorder issues. That is why we put the 20-bed mental health facility or mental health unit at Dame Phyllis Frost as part of the Better Pathways strategy.

In this budget we have announced some additional resources to support the expansion of the Thomas Embling Hospital, which is our secure involuntary patient hospital within the Victorian corrections system. What we plan to do is convert the underutilised and non-secure Jardine unit, which is directly adjacent to the Thomas Embling Hospital, into a low-security unit which will be surrounded by a non-scalable 4-and-a-half-metre perimeter fence. It is intended that all patients residing at the Jardine unit will have progressed successfully through the Thomas Embling Hospital's rehabilitation programs and will be accessing the community via unescorted leave granted by the forensic review panel. That is a normal process that is in place at the moment.

The effect of that initiative will be to free up acute bed capacity within Thomas Embling — we think about 16 to 18 beds — where it is most needed. We are desperately in need of additional capacity within the Thomas Embling Hospital and this expansion or conversion of the Jardine unit will enable us to access that accommodation. That will, in turn, relieve some of the pressures within the correctional system, which we think will enable us to respond more rapidly to those prisoners within the system who present with more acute mental health issues. It is a significant project and one which we think will over time ensure that Thomas Embling continues to evolve and have the resources it needs to respond to what will be an area of great pressure and change within the system in the years ahead.

**The CHAIR** — Minister, for the benefit of our report, do you have any financial breakdown of the cost of those initiatives?

**Mr HOLDING** — The total costings for the initiative are still being developed through the planning process. We expect the project to commence later this year, with bed occupancy occurring in the first quarter of next year. We will have to get further information about the exact cost of that initiative.

**The CHAIR** — You do not have to take it on notice. If you had it, it would be handy.

**Mr HOLDING** — No, we will get back; that is fine.

**Mr RICH-PHILLIPS** — Minister, I would like to ask you about the funding for the prisoner supervision and support output group on page 185. Can you please give the committee some information as to the increase in the cost of that output group? I understand some of that is related to the rephasing of the opening of the new prison facilities. Your slides present changed initiatives worth roughly \$30 million, but can you account for the difference between the expected outcome and the target for 2006–07?

**Mr HOLDING** — Just in relation to the prisons first, Mr Rich-Phillips, the variation is essentially due to the full-year impact of two new facilities operating. They were originally budgeted to be open for only 10 months and 5 months in 2005–06. Rephasing the cash flow of new facilities pertaining to the commissioning, including staff recruitment and training, construction finalisation, the organised crime and counter-terrorism funding, which we discussed at length earlier and the incremental impact of the Better Pathways initiative commencing — that essentially covers the prison variation. Just in relation to community corrections, one covers essentially the graffiti initiative, the sexual assault initiative, sex offenders monitoring arrangements, which I have only just touched on, but that includes funding and resources to provide a better program response and increased treatment options for sex offenders both in prison and in the community. That covers some of the reasons for the variation there.

**Mr RICH-PHILLIPS** — Are you able to provide any details on the rephasing costs or the funding associated with the rephasing of the commissioning of facilities, which I assume is money delayed from 2005–06 into 2006–07?

**Mr HOLDING** — We will take that on notice. It is quite a complex question in terms of the decommissioning of temporary capacity within the system as well as the costs connected with the commissioning of the new prisons themselves. But we can provide some information to the committee.

**The CHAIR** — Minister, I thank you very much and your departmental advisers and other staff who have attended for the corrections portfolio.

**Witnesses withdrew.**