

# VERIFIED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2012–13

Melbourne — 7 May 2012

#### Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

Chair: Mr P. Davis

Deputy Chair: Mr M. Pakula

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mr A. McIntosh, Minister for Corrections,

Ms P. Armytage, Secretary,

Ms J. Griffith, Executive Director, Corrections, Health and Crime Prevention, and

Mr R. Hastings, Commissioner, Corrections Victoria, Department of Justice.

**Necessary corrections to be notified to  
executive officer of committee**

**The CHAIR** — I declare open the Public Accounts and Estimates Committee hearing on the 2012–13 budget estimates for the portfolios of corrections, crime prevention and the responsibility for the establishment of an anti-corruption commission.

On behalf of the committee I welcome the Honourable Andrew McIntosh, MP, Minister for Corrections, Minister for Crime Prevention and Minister responsible for the establishment of an anti-corruption commission, and from the Department of Justice: Ms Penny Armytage, secretary; Ms Julia Griffith, executive director, corrections, health and crime prevention; and Mr Bob Hastings, commissioner, Corrections Victoria. Members of Parliament, departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings I remind members of the public gallery that they cannot participate in any way in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff, can approach the table during the hearing to provide information to the minister, by leave of myself as chairman. Written communications to witnesses can only be provided via officers of the PAEC secretariat. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council committee room, and no more than two TV cameras are allowed at any one time in the allocated spaces. I remind TV camera operators to remain focused only on the persons speaking and that panning of the public gallery, committee members and witnesses is strictly prohibited.

As previously advised to witnesses here today, I am pleased to announce that these hearings are being webcast live on the Parliament's website.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. This committee has determined that there is no need for evidence to be sworn; however, witnesses are reminded that all questions must be answered in full and with accuracy and truthfulness. Any persons found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days of the hearing. Unverified transcripts and PowerPoint presentations will be placed on the committee's website immediately following receipt, to be replaced by verified transcripts within five days of receipt.

Following a presentation by the minister, committee members will ask questions relating to the inquiry. Generally the procedure followed will be that relating to questions in the Legislative Assembly.

I ask that all mobile telephones be turned off.

I now call on the minister to give a brief presentation of no more than five minutes on the more complex financial and performance information that relates to the budget estimates for the corrections portfolio.

#### **Overheads shown.**

**Mr McINTOSH** — The first slide provides an indication that corrections represents 18 per cent of the justice budget — a total spend of \$814 million. The priorities for corrections over the forthcoming period are to ensure that it provides a safe and secure correctional system, enforces the sentences of the courts, reduces reoffending through offender rehabilitation and community reintegration and promotes opportunities for offenders to repay the community.

The budget for 2012–13 provides for a new 500-bed male prison, an additional 395 beds to increase prison capacity, assets \$670 million and total output over the four years of \$149.3 million. It also provides specialist response for sex offender management of 104 million over four years and also is our part of responding to the Cummins inquiry — \$1.8 million over four years allocated to manage those suppression orders and \$1.3 million in assets. TEI has been allocated to stage 1 of the high-security prisoners asset enhancement program.

Delivering on our election commitments: obviously we made an election commitment in the lead-up to the last election of 500 new prison beds. That is made up with the announcement in this budget of 395 additional beds together with the 100 that we had already committed to last year, which are currently under construction, and indeed the 500-bed new prison. Obviously the Attorney-General has introduced and passed legislation in

introducing the new community corrections order, which is the intermediate order that is now up and operating, enhancing electronic monitoring and also abolishing home detention.

The new men's prison: as I said, part of that will be the \$670 million asset and also the \$149 million output over the four years. On top of that, we are adding the 395 beds and importantly, if I can just add, 75 beds for the mental health precinct as part of the new prison build, and the target and completion date is 2017. The 395 beds: as I said, we are currently constructing 108 beds — 54 at Langi Kal Kal and 54 at Dhurringile, due for completion in July of this year, and the new prison and additional beds will create 800 construction jobs and 580 ongoing staff jobs.

New community corrections orders were introduced on 16 January. Currently we have 127 new front-line staff to assist with the implementation of new community corrections orders, expanding rehabilitation and treatment programs and expanding community work programs that provide links to accredited training opportunities.

Then there is the management of serious sex offenders — these are the ones that have completed their sentence and are subject to ongoing supervision with a court-ordered supervision order. I might add that while the legislation provides for detention, there are none currently being subject to those detention orders. The funding of \$104 million and \$26.9 million over the period provides for specialist court assessment, maintaining Corella Place and the supervision orders division of the adult parole board and 30 accommodation places in the community and specialist community support.

I am very pleased to say that over the last financial year through our community work program we have conducted something in the order of 800 000 hours of unpaid community work, with a total value of about \$19 million. Over 1000 community organisations have been involved. The graffiti removal operates out of 14 locations and delivers some 48 clean-up days each week.

**The CHAIR** — Before I proceed to the first question I just advise witnesses that when they wish to make a comment they should lean into the microphone. Perhaps pull the microphones up a little bit closer — Mr Hastings, in case you need to make a comment.

Minister, we have the remainder of this session, which is a bit under 40 minutes, for questions on the corrections portfolio. I ask: given the key growth and efficiency initiatives announced in the budget, can you please outline for the committee the likely impact of the budget on enhancing service delivery, promoting productivity and achieving efficiency gains within your portfolio? In responding, could you also indicate how you intend to monitor the portfolio's effectiveness in maximising improvements in these —

**Mr McINTOSH** — Sorry, what was the second part of the question?

**The CHAIR** — The second part of the question is just about the monitoring of the portfolio's effectiveness in maximising improvements in these areas. Basically, it goes to the issue of efficiency gains. Can you advise the committee of both what the nature of the efficiency gains will be and how you are going to monitor the effectiveness of that?

**Mr McINTOSH** — Thank you, Chair, for the question and the opportunity to outline how the budget will impact upon service delivery, productivity and efficiency in the corrections portfolio. First, as recently announced, the budget provides for a new 500-bed prison to relieve the growing pressure on places in the Victorian prison system. I might add that that pressure, of course, has been longstanding and was something that we inherited from the former government and under investment in our prison system. The additional 395 beds are part of our election commitments, which included dealing with demand pressures due to sentencing reforms, so: one, the 500 beds in relation to demand pressures caused by underinvestment by the former government; and 395 in relation to meeting our election commitments in relation to sentencing reform.

As I said, the additional 395 beds will assist to manage the short-term challenges that we face in an increasingly overcrowded system but they are also putting in place the necessary infrastructure for the longer term. Without these investments, the corrections system would have been severely compromised. In addition to the prison beds, the budget provides for the continued implementation of this government's sentencing reforms, introducing a new, single, more flexible community corrections order. Under the reforms, the community corrections system is managing offenders with a strengthened case management model, with improved access to programs and services that address offence-related issues.

The new community corrections order gives the judiciary a greater range of additional measures that can be used in non-custodial sentencing to ensure that the best outcomes are achieved to protect the community and discourage further offending. These reforms are part of the coalition's commitment to provide judges and magistrates with the tools, the discretion and the flexibility they need to sentence offenders and meet community needs. In relation to promoting productivity and achieving efficiency, the government has implemented a range of savings measures aimed at improving the efficiency of the back office, promoting improved procurement practices and eliminating wastage. We will also look to reduce the cost reliance on contractors and consultants in order to improve the overall efficiency of the workforce.

Within corrections, work has commenced on the implementation of a new rostering system that will assist greatly in managing the complex working hours and shifts of custodial staff across the prison system. In addition, reviewing corporate services and improving procurement practices within prisons for consumables, stores, foods and the like will yield efficiencies. Initiatives such as the implementation of the Department of Justice's procure-to-pay project involving auto invoicing, scanning and processing will have a large impact on improving the efficiency of accounts processing in the department by removing the majority of manual data entry tasks from this process. This will have a large impact on a portfolio like corrections, which currently accounts for almost 40 per cent of the department's invoices.

**The CHAIR** — Could you very briefly advise the committee of what you see in consequence of those initiatives as the likely impact on stakeholders in the portfolio — and by that I mean external to the department itself?

**Mr McINTOSH** — Obviously the community is going to see a range of better outcomes as a result of both the investment in correction facilities and the service delivery improvements and reforms. Certainly the procure-to-pay project will have a direct impact on suppliers, who will enjoy improvements in the processing of invoices and also have a central point through which their careers can be managed. As I said, the community is obviously going to get a much better outcome, given the fact that our prison system is severely stretched at the present time, and we have to manage that, and indeed it will have benefits for people who enter into arrangements with corrections. Notwithstanding its small output; less than 20 per cent of the Department of Justice's spend, it still represents some 40 per cent of the accounts that are payable by the department.

**Ms HENNESSY** — Minister, I refer to your presentation and the matters in budget paper 3 in regard to the use of GPS technology on sex offenders, arsonists, people on bail and now people who are the subject of alcohol exclusion area orders. I note that you were given an evaluation report on the trial that found numerous limitations and pitfalls. That evaluation report said problems can and do occur when attempting to track offenders in and out of buildings, in underground areas and through public transport. The evaluation report also told you that there were technological malfunctions, drift — which is when a sex offender's location is inaccurately identified — false alerts, offenders blocking satellite signals and offenders allowing batteries to run down and severing the straps of tracking devices. How do you justify proceeding with reliance on GPS now that you are fully apprised of the risks and the potentially devastating consequences of their failure?

**Mr McINTOSH** — The question relates to our commitment that we made at the last election to roll out GPS technology. GPS is an electronic monitoring device. Monitoring devices are currently used, for example, to monitor sex offenders in and around Corella and elsewhere. On top of that, they are used, as I understand it, interstate. We obviously conducted this trial to determine in what circumstances the electronic monitoring would operate effectively.

Now that we have completed that trial — and I might add that trial was pretty much consistent with interstate and overseas experience — as a result we have put out a request for tender in about March, I think. It is due to conclude next week. That request for tender is about getting the market to provide some degrees of solution. Obviously we have a particular requirement in relation to this sort of equipment. We are asking the market to look at this issue and provide solutions to us, and, depending upon that outcome of course, we are committed to the rolling out of GPS and other forms of electorate monitoring.

**Ms HENNESSY** — It is a courageous decision, Minister, may I say. At last year's PAEC budget estimates hearing, you told this committee that you thought that when someone was in breach of their correction order, that should be made public as a matter of community safety — —

**The CHAIR** — I am sorry, Ms Hennessy, do you have the reference?

**Ms HENNESSY** — In the minister's Hansard. Yes, I am happy to read out what he in fact said — —

**The CHAIR** — Have you got the page reference?

**Ms HENNESSY** — I can look that up for you in one moment. It is page 4, Chair, of the Hansard of the PAEC budget estimates public hearing, 17 May 2012. You said:

... I think the community has an expectation that when someone does not conform to their conditions for continuing detention or ... is subject to a corrections order ... then that should be made public as a matter of some public safety.

Minister, you would be aware that in March this year one of Victoria's most violent sex offenders was on the loose for some days before being captured in Queensland. Can you explain to the committee why the public was not told until at least 36 hours later that this offender was on the loose and in breach of their order, as you told the committee last year that you would?

**The CHAIR** — Thank you, Ms Hennessy. Could you come back to me with a page reference?

**Ms HENNESSY** — It is page 4 of the Hansard from 17 May 2011 — —

**The CHAIR** — Page 4, is it? Thank you.

**Mr McINTOSH** — Obviously I am aware of the circumstances, but I am not aware of the precise circumstances down to the last hour. As I understand it, the matter was made public. The particular person involved is now obviously in custody and going through the normal processes that that would throw up.

I see today, for example, in the paper, a young offender was mistakenly released from custody. Those details were made public. In my view, where people do breach a corrections circumstance, then obviously those matters should be made public.

**Ms HENNESSY** — Thirty-six hours to have a serious sex offender on the loose is a significant period of time, Minister — —

**The CHAIR** — Ms Hennessy, would you allow the minister to complete his response, please?

**Ms HENNESSY** — Yes, Chair.

**Mr McINTOSH** — Certainly. At the end of the day, it is a matter of law enforcement. Once someone effectively escapes from lawful custody, it then becomes a matter for Victoria Police. As I said, corrections does everything in its power to ensure that someone is apprehended in appropriate circumstances. It is a matter for Victoria Police, and it is their call as to when they actually do so.

**Mr MORRIS** — Minister, I refer you to budget paper 3, page 45, which is 'Asset initiatives — justice'. That page highlights the increased prison capacity. I am wondering whether you can provide the committee with greater detail on the plans for improved long-term management, particularly in the male prison system.

**Mr McINTOSH** — Mr Morris, the coalition inherited a corrections system with a legacy of significant underinvestment by the former government. The underinvestment has resulted in a system that is under pressure. This is a significant capacity issue that the new prison and the additional 395 beds are going to address. Even without the government sentencing and bail reforms, this prison is needed now. On population growth alone, the male prison system is and will be under significant pressure. The corrections system is suffering from years of Labor neglect and quick fixes. The new male prison, in addition to the 395 beds, is desperately needed to meet demand on population alone. We are addressing these issues and fixing another Labor mess.

We are building a new 500-bed medium security prison —

**Mr PAKULA** — These attacks would be a lot more effective if you were not reading them!

**Mr McINTOSH** — with a wall to expand to 1000 beds. I just emphasise that what we are doing is putting down a footprint for 1000 beds, and we are also building a prison with 500 beds so there is capacity to expand. On top of that, of course, we are providing appropriate programs — education support — in that prison, but most importantly we are also providing for an additional 75 mental health beds so that there will be a dedicated unit dealing with mental health in that prison.

Clearly mental health is a significant issue. Again significant underresourcing of that issue has been the subject of complaints by a number of different groups, and the government has taken the opportunity of providing those 75 additional mental health beds in that prison. The prison will be a medium-security prison. The reason for it being a medium-security prison is that is where the demand pressure is maximum or is certainly at its highest point at the present time. Indeed it being a medium-security prison, that is the opportunity and the time to roll out the rehabilitation, education and industry programs — and indeed with the mental health facility.

We have announced that the prison will be built as a public-private partnership. Design and construction, and indeed operation, will done by a private operator, and the new prison is due to be completed in 2017. We inherited a system that was significantly under demand pressure. We inherited a system that has identified unmet demand for mental health services, and as I have said the government is committed to doing something about that.

**Mr MORRIS** — If I might ask by way of a supplementary — and the minister touched on this in his presentation — can you provide us with details of how many jobs will be created as a result of this decision?

**Mr McINTOSH** — The estimates from the department in relation to the 500-bed prison are that it will create something in the order of 450 construction jobs at peak periods, and it will have about 335 ongoing jobs in the corrections system. In relation to the 395 beds, that will create some 350 construction jobs with 245 ongoing jobs. My calculation is that that is 1380 jobs.

**Mr PAKULA** — Minister, budget paper 3, page 41, outlines that over the forward estimates period the Department of Justice is slated to find savings of \$139 million to \$140 million. As you would be aware, in the Treasurer's speech he has indicated there will be another 600 jobs out of the public sector on top of the 3600 previously announced. for a total of 4200. My understanding is that you have already said that custodial officers and community corrections officers will not be affected by those cuts, but my question is: in regard to other parts of the corrections system — administration, rehabilitation program providers, industries within a prison, regional offices. Can you equally assure us that those elements of the system are also exempt from the 4200 job cuts?

**Mr McINTOSH** — Sorry; what was the second part?

**Mr PAKULA** — Admin, rehab program providers, regional offices et cetera, are they also exempt from the 4200 job cuts, or are they potentially going to be subject to them?

**Mr McINTOSH** — Obviously, as you have identified, prison officers are exempt, and indeed community corrections officers are exempt. Many of those do operate out of regional offices, but obviously we have a circumstance where the Treasurer has announced a sustainable government regime. We are committed to doing that, and initially that will be about — particularly in relation to fixed-term contracts and contractors right through to voluntary redundancies. I cannot give you a figure on what and where the positions will become redundant, so to speak, but the most important thing is that at this stage we will be working through all of those including, and most importantly, voluntary redundancies, but Corrections will have to do its bit as well.

**Mr PAKULA** — Okay. Just to follow up, my concern obviously in regard to that is the risk you run if you take white-collar administrative jobs out is that Corrections officers end up having to do those jobs rather than doing what they are needed to do. But in regard to the adult parole board, the adult parole board has made it clear recently in their annual report that there are community safety implications of a failure to increase resources for the adult parole board. Are you able to at least give the committee an assurance that the adult parole board, the body that has oversight responsibility for criminals on early release from prison and those on community-based and corrections orders, will not suffer any human resources loss as a result of the cuts?

**Mr McINTOSH** — Obviously there is some concern in relation to that. I think the adult parole board does a very good job in this state. They serve the state very well, and I have had the benefit of knowing a number of

chairs over a long period of time. Obviously the adult parole board effectively administers the parole system, but of course implementation still devolves down to community corrections to supervise and manage these people on a day-to-day basis on behalf of the adult parole board. Indeed I have had the opportunity of attending a hearing, just sitting as a member of the backbench almost, to watch a hearing. I had never seen a hearing in my time before, but I was very pleased to see community corrections people working with the people in the adult parole board. As I said, it is a very good job, but I imagine the critical thing is that every section of Corrections is going to have to do its bit, but I am happy to talk to the chairman about the resourcing of the adult parole board.

**Mr ANGUS** — Minister, I refer you to budget paper 3, page 198 and the section headed ‘Community based offender supervision’. Can you please advise the committee how the budget is ensuring offenders break the cycle of reoffending?

**Mr McINTOSH** — Can I start by saying that the coalition, as part of its key sentencing reforms, is introducing a new single flexible community corrections order, which became available to the courts as a sentencing option on 16 January this year. This is a significant reform in community-based sentencing in Victoria, and certainly in my opinion it has been the most significant change probably in the last 20 years, with new powers to ensure that offenders can repay some debt to the community.

The community corrections order replaces the range of other forms of community-based orders and indeed provides a single, flexible order that delivers tougher, common-sense approaches to sentencing. The courts can impose a wider range of conditions tailored to the offender and to the offence. These can include curfews, alcohol bans, no-go zones right through to up to 600 hours of community work, ensuring judges and magistrates have the tools and the flexibility to ensure that sentencing laws reflect the community’s needs and expectations.

Corrections has introduced over 100 new staff in the last 12 months to handle the new community corrections orders. The new flexible community corrections order is about getting serious about intervening in the lives of offenders before they graduate to more serious crime. Obviously it is about tougher, common-sense sentences targeted to the circumstances of the offender and the offence. In addition to the community corrections work there are also rehabilitation programs that are available. We know that rehabilitation programs are essential to prepare prisoners, and indeed other offenders, for transition back into the community and reduce the likelihood of reoffending.

As I said, Corrections will provide a range of different programs, and they include violence, drug and alcohol and sexual offending programs. High-risk offenders are given priority for offending behaviour programs, and as I said, offending behaviour programs are also provided for specific groups such as indigenous prisoners, female prisoners and prisoners with an intellectual disability or acquired brain injury. I must admit in relation to indigenous prisoners I have had the opportunity of visiting Wulgunggo Ngalu, which provides Koori-specific educative programs in relation to that community. Of course that is in your area, Chair, and I know you have had a lot to do with that organisation. Indeed I was very pleased to see that early last year it won an international corrections award recognising its involvement.

As I said, the government, of course, is fair dinkum to provide the community with the opportunity of having a more sensible intermediate order between a fine or a bond right through to prison, which is very flexible and provides, we think, the opportunity for people to rehabilitate themselves and also to repay their community.

**Mr SCOTT** — Minister, both in your presentation and budget paper 3, page 42, there is reference to programs relating to sexual offenders. I am actually seeking some contextual information regarding these issues, and I would be grateful if you could provide information to the committee on the number of instances in the last financial year where a sex offender has been in breach of a condition of their corrections order including parole, community corrections orders and post-sentence detention and supervision orders?

**Mr McINTOSH** — Sorry, what page are you talking to?

**Mr SCOTT** — Page 42, budget paper 3. There is reference to the issue, but I am seeking contextual information relating to those matters — what the government is doing.

**Mr McINTOSH** — Can I just say that obviously what we are talking about here is the worst of the worst. As I understand it, there are currently just over 80 offenders who are subject to a supervision order and while the

SSO(DS)A legislation provides for detention as well as supervision, that legislation was introduced by the former government and supported by the then opposition. I have certainly visited Corella Place on a couple of occasions, once in opposition and also in government. The most important thing about the SSO(DS)A legislation — and I am sure you are aware of this — is that it is about the protection of the community from some of the worst sex offenders in our community.

These people have been through the criminal justice system. They are sentenced, sometimes, to long periods of imprisonment, but of course they do get out. But if they are assessed as having a high degree of probability of reoffending, then they can be subject to a supervision order. Those supervision orders are effectively tailor made for the particular individual. Many of them can be located at Corella. The court has the capacity to order them to undertake rehabilitation programs. The court can also order that they be monitored, and in some cases they are monitored. Likewise, if the court can be satisfied that they can be properly managed into the community, then they can be released into the community, again subject to strict control by Corrections in relation to those matters. I do not know whether that answers your question?

**Mr SCOTT** — If it is not available, it can be on notice; I sought some actual figures for the number in breach, but if that has to be followed up on notice — it is not available to you at the — —

**Mr McINTOSH** — You want the breach — —

**Mr SCOTT** — The number of breaches of conditions for such offenders.

**Mr McINTOSH** — I will take it on notice.

**Mr SCOTT** — I said parole, community corrections orders, post-sentence detention and supervision orders — those matters.

**Mr McINTOSH** — As I understand it some 9 per cent of those who are subject to post-sentence orders have reoffended with a relevant offence, which is well below the expected rate of sexual reoffending. As you know, it is very high. I am advised that it is approximately 9 per cent of those that have reoffended —

**Mr SCOTT** — I am interested in the information, but that is a side issue. Just if you could come back with the specific matters that I requested, that would be fine.

**Mr McINTOSH** — If that has not answered it, then I am happy to take that on notice.

**Mr O'BRIEN** — I too wish to ask questions on this initiative. I refer particularly to the Treasurer's speech in budget paper 1. Under the heading 'A better justice system and safer communities' it says \$113 million will be provided over four years for stronger management of known serious sex offenders. I think you touched on this in your presentation, but could I ask you now: is the budget providing for the management of serious sex offenders?

**Mr McINTOSH** — This budget provides \$104.4 million over the next four years to manage, monitor and rehabilitate serious sex offenders — the sex offenders I was talking about in the previous answer — with \$25.5 million rising to \$26.7 million in 2015–16. The thing that struck me about this is that notwithstanding the fact that it was supported by us when we were in opposition and notwithstanding that it had a clear and significant role to play — it was a significant step, I will acknowledge that — and had the support of the law all the way through, for some reason, rather than like jails or otherwise, this was a lapsing program. Frankly, I find it extraordinary that such a strongly supported program dealing with the worst of the worst sex offenders experienced a lapse in funding and was due to lapse on 30 June this year.

**Mr PAKULA** — Is yours not a lapsing program?

**The CHAIR** — Deputy Chair, Mr O'Brien has asked a question, and the minister is entitled to give a response. Your turn will come later.

**Mr PAKULA** — Is it in place or is it a lapsing program?

**The CHAIR** — The minister is responding to Mr O'Brien's question. Minister, would you please continue your answer, without interruption.

**Mr McINTOSH** — A substantial amount of the money that is provided in the budget is to run Corella Place, and this, as I said, is a facility near the Hopkins correctional facility at Ararat, which houses many of the offenders on this type of supervision, allowing them to be monitored. Some of the funding is provided to cover increased legal costs arising out of the coalition's significant changes in relation to that legislation providing for suppression orders, and as you know we have announced that we are proposing to amend the SSO(DS)A legislation to, for the first time, require a judge, when they are considering making a suppression order, to take into account the protection of children, families and the community. As I said, this is a significant change, and can I just say there is over \$113 million to manage serious sex offenders, \$104 million for the serious sex offenders scheme and also \$8.8 million for the registered sex offenders management course that is in the minister for police's responsibility.

**Mr PAKULA** — All of which lapses after two years.

**The CHAIR** — Deputy Chair, allow the minister to answer the question. I am not going to have this rabble.

**Mr PAKULA** — We are not going to cop this nonsense about lapsing programs for another year.

**The CHAIR** — We are just not going to have this rabble. Deputy Chair, this is entirely disorderly. The minister is responding to Mr O'Brien, and he will conclude his answer.

**Ms HENNESSY** — He is under oath.

**Mr McINTOSH** — As I was saying in relation to the serious sex offenders monitoring regime, that is not a lapsing program; it is a continuing program.

**Mr O'BRIEN** — Minister, if you could just provide more details — if you cannot do it now, on notice — in relation to the policy reforms you had identified? You mentioned some policy or further legislation at the end of your answer, but there were interjections.

**Mr McINTOSH** — As I said, we propose to introduce an amendment to the SSO(DS)A legislation. This came out of a recommendation of the Cummins inquiry into protecting vulnerable children, and recommendation 50 — the only one on which there was not unanimity among the committee members — recommended that the suppression regime in the SSO(DS)A legislation be repealed. That regime provided for the granting of suppression orders in relation to serious sex offenders. All of the material I have seen in support of this regime — and I am sure the members of the former government would be aware of this, and no doubt that was the reason they introduced the regime for suppression orders — provides that publicising and creating a sense of danger or otherwise causes these serious sex offenders to reoffend.

Integral to the granting of a supervision order are all the conditions on where someone lives, curfews or otherwise, whether it is in Corella Place or otherwise, what sort of supervision and what sort of treatment programs they had to go through. If that was made public, then quite clearly that could impact upon their reoffending, particularly if they are out in the community, and may lead to serious consequences.

But of course the suppression regime has been the subject of some criticism, and while a court has to take into account the effect on the victim, in many cases the offence where there was a victim in the first place may have occurred many years before. We think that the judges in this state in issuing a suppression order for the first time should not only be taking into account the interests of the victim, where the offence may have occurred many years before, but should also be taking into account the interests of particularly children, families and the rest of the community.

**Ms HENNESSY** — In respect of the Ararat prison redevelopment up there, I understand that workers and builders were complaining last week that they had not been paid. I do understand that there is a revised delivery strategy that is under negotiation in which a claim has been made on the state for \$30 million. Could you take us to where in the budget papers that \$30 million has been accounted for?

**Mr McINTOSH** — Should I just say, this is a matter that is commercial in confidence, and obviously I have to be very delicate in what I say about this matter. Yes, I understand that the private contractor has been experiencing delays, and the consequences of that may limit my capacity to discuss.

Having said that, the critical issue is that it is a full public-private partnership, and that public-private partnership has a requirement that certain stages are met. The government's obligation to pay any amounts under that contract do not occur until various stages are met. At the present time stage 1 has not even been met. As I said, they are experiencing delays, but I do not want to take that matter any further.

I think it is fair to say that it is a matter of concern. Corrections are monitoring the situation, but ultimately this is a matter for the private provider, if you like, or the private consortia that are making up the construction. But that is as much as I am really prepared or able to say.

I might just ask the secretary if she has any comments.

**Ms ARMYTAGE** — If I may add, obviously this is a very important set of consortia that took over the contract to build and construct this prison and operate it through to 2037, so it is a long-term, 25-year operating contract for them once they have built the facility. It is very concerning obviously that there has been this delay, and we are in discussions with Aegis which is the consortia partners made up of Bilfinger Berger and the Commonwealth Bank. Those commercial-in-confidence discussions are continuing, and the Secretary of the Department of Treasury and Finance and I will be meeting with the consortia partners to have further discussions as of tomorrow in terms of the situation they find themselves in.

What is important, however, to note is that whilst the project is delayed and we have had discussions with the consortia about what they will do in their commitment deed to try to rectify that, it was only in the last week that the issues about financial viability became known, and they have been worked through very carefully ever since then. It is important to see, however, that in stage 1 of the build of Ararat 70 per cent of the buildings and 40 per cent of the stage 2 buildings have been constructed, so there is very significant development on site. There have been about 260 tradespeople on site on a daily basis and even today there are 170, but it is raining up there so there are still issues up there.

It is a commercial-in-confidence matter that we are handling very carefully and we are working closely, but the cost and time risk in these public-private partnerships rests with the consortia not with the state, and there has not been any agreement for the state to pay any additional money to the consortia at this stage.

**The CHAIR** — Thank you very much for that response. Unfortunately that brings us to the end of the corrections portfolio. I thank Mr Hastings for his attendance.

**Witnesses withdrew.**