Inconsistencies in Project Delivery Systems for Prisons: A Comparison between Public and Private Methods

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Abstract

Social, political, economical and technological factors have exerted increasing pressure on prison populations in Australia. The use of Public Private Partnerships (PPPs) has emerged as a viable approach to procure additional prisons. However, current PPP models are not a perfect solution. Within the Commonwealth of Australia, and indeed the various State jurisdictions, there are a variety of PPP systems, each with conflicting approaches, particularly in the crucial area of risk allocation. While prisons are still funded using public sector finance, the predominant delivery system currently used to procure prisons in Australia is the Build-Own-Operate (BOO) approach. Subsequently, inconsistencies emerge between the private, public and PPP delivery systems. Using a thematic approach to data analysis this paper focuses on the operational efficiencies (operational and construction costs) of public and private prisons. The findings of this paper are part of a broader research project that also investigates the efficiency of management and staff and inmate satisfaction. The results indicate that these themes are inter-related and inconsistencies in one, affects others regardless of procurement approach. Due to reductions in public sector expenditure the implementation of increased private sector ownership is recommended not only to meet demand for this type of infrastructure but also as a means of delivering greater efficiency. Combined with a relevant mix of private and public sector operation this would minimise some of the current inconsistencies and concerns facing governments and communities in the procurement of Australian prisons.

Keywords: Australia, prisons, procurement, public versus private, public-private partnerships (PPPs)
1. Introduction

Correctional facilities in Australia have traditionally been procured by the public sector where the funding traditionally comes from State government budgets funded by taxpayers (Arndt, 2000). However, provision and maintenance of these facilities has become extremely expensive and due to shortfalls in funding governments have become reluctant to bear the costs of procuring this type of infrastructure alone. This has resulted in governments sourcing alternate funding methods to procure public infrastructure as is already evident in the US, UK, Canada, South Africa, and Australia (Kaduce, Parker & Thomas, 1999). In most of these countries, the governments have experienced funding shortfalls concurrent with an increasing demand for infrastructure maintenance and renewal requirements. By using alternate methods of procurement, the impact on government budgetary constraints are minimised (Jefferies, Gameson & Rowlinson, 2002). The emergence of PPPs has presented governments with an alternate method of procurement which allows governments to obtain value for money by aiming to eliminate the waste and inefficiencies inherent with the public sector (Love, Wood, Picken & Confoy, 2000) and by transferring risk to the party that is best able to manage it.

Recently, significant pressure has been exerted on prison capacity due to factors such as increasing crime rates, longer terms of imprisonment, changes in arrest and prosecution practices and revised sentencing policies. This has resulted in the prison population experiencing substantial growth (Greenfield, Beck & Gilliard, 1996). In Australia, states such as New South Wales (NSW) have seen crime rates escalate due to an increase in the number of persons being charged in Local and Higher courts. In 2005, there was a 12% increase in the number of people charged compared to 2000 (Greenfield et al., 1996). As a result there has been extensive debate amongst scholars and academics about the optimal method of prison procurement. On one hand, there are claims made by Kaduce et al. (1999) that privatisation achieves economies without compromising the calibre of services provided by prisons and claims made by Dutney (1997) suggest correctional systems should be fully privatised as the required outcomes are only achievable through the private sector. However, according to Perrone & Pratt (2003), the empirical evidence regarding whether private prisons are more cost effective and/or provides higher quality of confinement to inmates is inconclusive.

This paper investigates public versus private procured correctional facilities in the context of their operational efficiencies and construction costs. The objectives of this paper are to analyse the inconsistencies between publicly and privately procured prisons; investigate the various procurement methods used for the delivery of prisons; and make some initial recommendations on an appropriate procurement model to minimise the inconsistencies with the operation and delivery of prisons. The research findings reported in this paper are part of a broader research project that also investigates the efficiency of the management process and the satisfaction of both prison staff and inmates in the delivery of public and private prisons.
2. Public private partnerships

The private sector is playing an increasingly important role in the procurement process of public works and infrastructure. The growing demand for public infrastructure has become a major challenge for governments, due to shortfalls in funding and an unwillingness by taxpayers to bear costs (Arndt, 2000). The emergence of PPPs has been a response to the increasing demands for development of infrastructure to meet the communities needs whilst not directly impacting the government’s budgetary constraints (Jefferies et al., 2002). Grimsey & Lewis (1999) define PPPs as “agreements where public sector bodies enter into long term contractual agreements with private sector entities for the construction or management of public sector infrastructure facilities by the private sector entity”.

PPPs are partnerships formed between the public and private sector for the purpose of designing, planning, financing, constructing and/or operating projects which would be regarded traditionally as falling within the remit of the public sector. This generally involves a private partner investing in public infrastructure and providing related non-core services to the government or community on the government’s behalf by working together under long term contractual arrangements (Webb & Pulle, 2003). The use of PPPs enables the government to deliver more cost effective services, at a higher quality, and at an earlier time. The private sector is able to apply its resources and specialist skills to the provision of modern buildings allowing the public sector to concentrate on related services that will continue to be managed by the government, which allows the government to implement change without losing sight of the true business of government (Akintoye, Beck & Hardcastle, 2003).

3. Using PPPs to procure prisons

Since the early 1990’s, Australian State and Federal Governments have actively encouraged the private sector to take interest in the funding of public infrastructure with a shift towards the use of PPPs. Prison procurement is an effective application of PPP projects as they are able to offer significant value for monetary gains (Genders, 2003). The privatisation of prisons in Australia is neither a unique nor a modern development as the privatisation of correctional centres dates back to colonial periods (Kaduce et al., 1999). In 1994 the number of privately procured prisons in the US, UK and Australia increased from 21% to 88%, the rated capacity of these facilities rose by 51% or a potential inmate population of 49,154 (Logan, 1996). Typically, the Build-Own-Operate (BOO) approach has been used for Australian PPP prison projects, where the service provider retains ownership of the asset in perpetuity and the government agrees to purchase the services produced for a fixed length of time (Arndt, 2000). Junee Correctional Centre in NSW, was the first prison in Australia procured using the BOO method in 1993 and has a capacity of 750 inmates. It was designed, financed and operated by GEO Group Australia (DCS, 2007).

The need to procure additional prisons has been largely influenced by the increase in crime rates, sentencing lengths, changes in law and legislation, arrest and prosecution practices, and stricter probation and parole conditions (Greenfield et al., 1996). The prison population in Australia increased 12% or 23,444 to 26,273 from 2004 to 2007 respectively. On 12th August 2007, The
Sydney Morning Herald reported that 9467 of the 9945 male prison beds were occupied (Barker, 2007). The growth in NSW prisons is also evident with a recorded 8,484 inmates in corrective services custody in 2000, increasing to 10,167 in 2006.

Since 1992, the Australian government has sought to implement the emerging overseas strategy whereby its focus should be on the policy, objectives and outcomes, leaving the service delivery to contracted competitive providers from the private sector to achieve cost efficiencies and improved levels of service delivery (Daly, 1997). Through privatisation the government aims to achieve the following long term objectives: reduce state debt; minimise cost to the tax payer whilst delivering higher quality of services; establish competitive industries; improve state infrastructure; and retain strong control of policy direction and performance accountability but where appropriate, transfer service delivery activity to the private sector.

4. Public versus private

Prisons in NSW are virtually all publicly delivered, the only current privately procured prison is the Junee Correctional Centre. Traditionally, prisons are designed, built, operated and financed by State governments with the use of public funds. The requirement for additional prisons first needs to be identified by the Minister, approval of public funding is then required through the State government to procure a proposed facility. Once approval is granted a tender is called by the Department of Commerce for expressions of interest to build the facility. Upon acceptance of the tender the procurement stage begins (Roth, 2004). Generally, the design of prisons in rural NSW are often reused, as evident with the construction of Goulburn and Bathurst prisons (DCS, 2007) and the recent Kempsey and Wellington prisons, where the designs of the prisons are identical with the exception of a few amendments to suit site conditions. In contrast, procurement of privately owned and operated prisons involves the government contracting out the operation of a prison to a private enterprise. Once the government decides to privatise a prison, a contract is put out to tender and in some cases the private enterprise may compete against the public sector for the contract (Roth, 2004).

The operation of prisons involves State governments, correctional officers, inmate development committee (drug & alcohol, welfare and psychologist), classification and placement, as well as inmate public health and education departments. Publicly procured prisons are operated by state governments. The training of officers in publicly acquired facilities is conducted at the Department of Corrective Services Academy for a period of 3 months, which consists of theory, conflict resolution, physical training, Occupational Health and Safety procedures, legalities and security protocol. On successful completion of theory, officers act as interims in various correctional facilities for a period of 9 months (DCS, 2007).

The operation in private prisons is similar to publicly acquired prisons. However, the State government retains a virtual power of veto over the ‘prison managers’ whereby authorisation may be revoked (Harding, 1992). The hiring and training of staff is conducted by a service provider, such as Group 4 Corrections Service or Corrections Corporation Australia. Prison security guards undertake training internally with service providers being required to meet strong accountability requirements.
and performance standards (Daly, 1997), as agreed in the terms and conditions of the contract. Training for newly accepted prison security guards in the Victorian State prison system consists of a residential program for a total of 12 weeks in a training facility operated by the Office of Corrections (Kirby, Roche & Greaves, 2000).

Private enterprise is paid operational costs and fees by the government. The terms and conditions of the contract outlines the performance levels that to be met. The management cost will generally include a performance linked fee, where the fee for performance levels is withheld from the monthly operational payment for the service provided (Kirby et al., 2000). Examples of performance measures implemented in the Acacia Prison cited in Department of Corrective Services Western Australia (2006) are as follows: assaults on prisoners; assaults on staff/visitors; percentage of positive urinal analysis results; number of complaints to the ombudsman; number of self harm or suicides; percentage of inmates employed or in programs; percentage of required vocational/educational training hours and offending behaviour programs; and number of failures of contract responsiveness.

Roth (2004) makes a simplistic attempt at comparing public and private prisons by arguing for and against the private model. Some of Roth’s argument in support of the private approach include: The private sector is more efficient and innovative and will operate cheaper and better prisons; privatisation will strengthen accountability; there is nothing wrong in principle with contracting out prison management; the private sectors profit motive does not make it less trustworthy as prison manager; the profit motive will not conflict with doing justice and can actually coincide with it; private prison operators will not cut costs at the expense of standards; and private prison operators will not make decisions that increase the length of the inmates stay. (Roth, 2004).

5. The privatised approach

Privatisation of prisons emerged from the US in the mid 1980’s and the NSW government started to use it in the early 1990’s (Roth, 2004). Prison privatisation in Australia is seen mainly in the State of Victoria, where, by the end of 1997, 45% of the prisoners were detained in private prisons (Daly, 1997), operated by the public Correctional Enterprise, Corrections Corporation of Australia (CCA), and GEO Correctional Management or Group 4 Corrections Services.

The BOO concept has been used to procure prisons in Victoria, where it has been deemed by Love et al. (2000) to be more cost efficient. In NSW, through the use of the BOO method, the government was able to procure the 600 bed medium security prison at Junee for $57 million, which was approximately half the cost that the State government itself would have incurred. Operational costs in the Queensland correctional system were reported to be 9.3% more economical in the private system compared to the public system (Love et al., 2000). Moreover, a private prison in Florida US and a public prison in the US of the same classification and capacity were compared. The prison in Florida was constructed at a cost of US$69.9 million whilst, the publicly procured prison cost US$85.7 million. This highlights that the privately built facility was 23% more cost efficient (Tabarrok, 2003) compared to the publicly built.
It is argued that the prime objective of private companies, that of financial interest, may jeopardise
the quality of confinement for inmates or the social welfare for staff (Hart, 2003). However, in South
Australia, the State government identifies the key aims of new facilities as being able to ‘reduce
operating costs and be better equipped to manage future expansion’ (Ferguson, 2007), without
mention of the rehabilitation, social welfare of prisoners, staff or society.

The level of consistency amongst privately procured prisons is questionable as there are numerous
reports of failures. The Port Phillip maximum security remand and reception centre in Victoria was
issued with a default notice in October 2003 over reported security breaches where a small loaded
handgun, mobile telephones, digital cameras and a significant quantity of drugs were discovered
(Roth, 2004). In October 2000, the contract between CCA and Deer Park women’s prison was
terminated due to inadequate staffing levels and lack of proper security systems (Duffield, 2005). It
appears that CCA failed to meet the performance standards, hence adversely affecting prisoner’s
wellbeing and rehabilitation, along with the operations of the prison system. CCA however retorts
that, “All prisons, both public and private face challenges in the areas of authority, legitimacy,
procedural justice, accountability, liability, cost, security, safety and corruptibility, however, they
face these challenges because of the nature of their mission, not because of their incorporation as
public or private entities” (Dutney, 1997).

The result of Dutney’s (1997) research, suggest there are no differences between publicly or privately
procured prisons. However, studies conducted by Logan (1992), have a different view on the quality
of confinement. Federal, State and privately operated prisons were compared with the findings
suggesting that staff preferred privately operated prisons, whereas, inmates preferred publicly
operated prisons. Hence, the level of consistency between publicly and privately operated prisons
may be challenged. With prisoners possessing no political power and being socially constructed as
deviant or violent by most of the population (Schneider, 1999), they have little if any influence or
input on the procurement of prisons.

6. Research method

Figure 1 provides a diagrammatic conceptualisation of the research. It displays a set of hypothetical
findings on the public and private sectors, and outlines the possible inconsistencies that may be
present. The shaded areas are domains which are inconsistent and they may be minimised by either
bringing the public sector into conformity with the private sector or vice versa. It is proposed that by
refining the PPP approach then inconsistencies may be minimised.
The research focused on investigating the inconsistencies between publicly and privately procured prisons. The research was conducted with an open minded approach that aimed to end up with an hypothesis. Salient issues were identified and guided the subsequent gathering of data to develop hypotheses. Document analysis was used to analyse data in this study. Document analysis is defined as 'The collection, review, interrogation and analysis of various forms of text as primary sources of research data' (O'Leary, 2004). A hypothesis has not been tested, but rather a thematic analysis was used to identify the salient issues that guide the subsequent gathering of information and development of hypothesis. By definition a thematic analysis is identified by Ezzy (2002) as concepts, categories and themes that are developed while the research is being conducted. A thematic analysis was conducted to further investigate the underlying factors that may have contributed to operational inconsistencies in prisons.
7. Results

7.1 Operational efficiencies

7.1.1 Operational costs

Table 1 displays findings for the operational costs between private and public operated prisons where costs are represented per inmate per day and appear in either US or Australian dollars.

Table 1: Operational costs - public v private prisons

<table>
<thead>
<tr>
<th>Source</th>
<th>Private</th>
<th>Public</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Archambault &amp; Det, 1997)</td>
<td>US $22.93</td>
<td>US $26.90</td>
<td>Allen Correctional Centre (Public) versus Avoyelles Correctional Centre (Private)</td>
</tr>
<tr>
<td>(Boxman et al., 1993)</td>
<td>US $23.49</td>
<td>US $26.90</td>
<td>Winn Correctional Centre (Public) versus Avoyelles Correctional Centre (Private)</td>
</tr>
<tr>
<td>(Fabio, 2001)</td>
<td>US $49.00</td>
<td>US $77.00</td>
<td>Compares the minimum security Marion Adjustment Centre (Private) in Kentucky to minimum security Blackburn Correctional Complex (Public)</td>
</tr>
<tr>
<td>(GAO-Report, 1996)</td>
<td>US $28.64</td>
<td>US $32.08</td>
<td>Compared the costs of offenders housed in State jail division facilities operated by the State in the year 2000, to an average contract rate of offenders in privately operated jails.</td>
</tr>
<tr>
<td>(Logan, 1992)</td>
<td>US $36.76</td>
<td>US $42.70</td>
<td>Compared costs of four privately managed pre release 500 bed minimum security prisons for males in Texas to a hypothetical public model.</td>
</tr>
<tr>
<td>(Logan &amp; McGriff, 1989)</td>
<td>US $69.75</td>
<td>US $80.00</td>
<td>Comparisons of costs between one state and private prison in New Mexico.</td>
</tr>
<tr>
<td>(Logan &amp; McGriff, 1989)</td>
<td>US $42.68</td>
<td>US $40.85</td>
<td>Compared three for profit community correctional facilities for males, one public medium facility and two publicly operated prisons (one low-medium and one high security) in California.</td>
</tr>
<tr>
<td>(Love et al., 2000)</td>
<td>US $35.39</td>
<td>US $34.90-$35.45</td>
<td>Three multi classification prisons in Tennessee were compared, one privately operated and two publicly operated in Tennessee, excluding medical and mental health costs.</td>
</tr>
<tr>
<td>(NSW-Parliament, 2005)</td>
<td>US $33.61</td>
<td>US $35.28</td>
<td>Tennessee prison with the capacity of 1336 was compared with a Louisiana prison with a capacity of 1474.</td>
</tr>
<tr>
<td>(Segal, 2002)</td>
<td>US $82.90</td>
<td>AS129.78</td>
<td>Boralon (Private) versus QLD (Public)</td>
</tr>
<tr>
<td>(Segal &amp; Moore, 2002)</td>
<td>US $69.75</td>
<td>US $80.00</td>
<td>Compared three women’s prison, one federal, one state and one private in New Mexico.</td>
</tr>
<tr>
<td>(Segal &amp; Shichor, 1993)</td>
<td>US $73.50</td>
<td>US $77.50</td>
<td>A study of the privately owned and operated 350 bed Hamilton County prison in Chattanoogas was compared to a hypothetical model.</td>
</tr>
<tr>
<td>(Segal &amp; Shichor, 1993)</td>
<td>US $107.50</td>
<td>US $117.45</td>
<td>QLD (Private) versus NSW (Public)</td>
</tr>
<tr>
<td>(Segal &amp; Shichor, 1993)</td>
<td>US $140.00</td>
<td>US $180.00</td>
<td>QLD (Private versus NSW (Public)</td>
</tr>
<tr>
<td>(Segal &amp; Shichor, 1993)</td>
<td>US $130.00</td>
<td>US $140.00</td>
<td>QLD (Private versus NSW (Public)</td>
</tr>
<tr>
<td>(Segal &amp; Shichor, 1993)</td>
<td>US $82.59</td>
<td>US $87.76</td>
<td>Junee (Private) versus Mid North Coast (Kempsey)</td>
</tr>
<tr>
<td>(Pratt &amp; Muals, 1999)</td>
<td>US $52.41</td>
<td>US $47.56</td>
<td>Minimum Security prison cost comparisons</td>
</tr>
<tr>
<td>(Pratt &amp; Muals, 1999)</td>
<td>US $44.25</td>
<td>US $49.22</td>
<td>Multi-security prison cost comparisons</td>
</tr>
<tr>
<td>(Pratt &amp; Muals, 1999)</td>
<td>US $55.54</td>
<td>US $50.46</td>
<td>Medium Security cost comparisons</td>
</tr>
<tr>
<td>(Pratt &amp; Muals, 1999)</td>
<td>US $88.87</td>
<td>US $103.21</td>
<td>Maximum Security cost comparisons</td>
</tr>
<tr>
<td>(Segal, 2002)</td>
<td>US $35.90</td>
<td>US $43.08</td>
<td>Compared the costs and performance of a 444 bed private prison in Arizona to fifteen government operated prisons.</td>
</tr>
<tr>
<td>(Segal &amp; Moore, 2002)</td>
<td>US $46.96</td>
<td>US $52.40</td>
<td>Florida Corrections comparison</td>
</tr>
<tr>
<td>(Segal &amp; Moore, 2002)</td>
<td>US $47.05</td>
<td>US $45.64</td>
<td>Study conducted on a larger prison in Florida</td>
</tr>
<tr>
<td>(Segal &amp; Moore, 2002)</td>
<td>AS121.00</td>
<td>AS136.66</td>
<td>Boralon (Private) versus Lotus Glen Correctional Centre</td>
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</tbody>
</table>
The private sector operates prisons at lower costs compared to the public. From the 31 findings 4 favoured the public approach, 26 findings favoured the private sector and only 1 had similar costs, therefore indicating inconsistency between the two models of delivery. The inconsistency is further emphasised by the disparity in cost savings, where, the public sector reported average costs savings of 7.6% versus an average costs savings of 16.54% by the private.

Inconsistencies are highlighted in the study performed by Harding (1992) which reports on the bidding of the operational contract for the Walcol Remand and Reception Centre in Brisbane. The private sector placed a bid of A$11.5 million per annum in contrast with the public sectors bid of A$18 million (Harding, 1992). Yet, it is inconclusive whether the private prisons are more cost efficient in operation as Sellers (1989) reveals that the publicly operated Salem County prison in New Jersey cost US$25.11 per inmate per day to operate, in comparison to the privately operated Butler County prison, similar in size and classification, that costs US$28.52 to operate (Sellers, 1989). The private sector is more efficient operationally from a costs perspective, and this would include services such as food, medical provisions, inmate programs and staff development and promotion. This may lead to reduce inmate escape and suicide attempts and improve staff morale. Costs for the likes of medical services may be reduced as a study conducted by NSW Parliament (2005) found that the average costs for medical services by the private and public sector was $9 and $20 per inmate per day respectively. Therefore, non-custodial services such as food and medical services could be contracted out to the private sector, hence, cost efficiencies are achieved and inconsistencies minimised.

### 7.1.2 Construction costs

Table 3 displays direct comparisons of the construction costs between privately and publicly operated prisons.

**Table 3: Construction costs – public v private prisons**

<table>
<thead>
<tr>
<th>Source</th>
<th>Private</th>
<th>Public</th>
<th>Comment</th>
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<tbody>
<tr>
<td>(Joel, 1993)</td>
<td>US $4.9m</td>
<td>US $9.1m</td>
<td>Privately constructed Houston Detention Centre compared to a comparable public facility operated by the Immigration and Naturalisation Service.</td>
</tr>
<tr>
<td>(Love et al., 2000)</td>
<td>A$57m</td>
<td>A$57m</td>
<td>Private 600 bed facility versus Public 300 bed facility in Australia</td>
</tr>
<tr>
<td>(NSW-Parliament, 2005)</td>
<td>A$75.7m (adjusted for inflation)</td>
<td>A$125.6m</td>
<td>Junee (Private) versus Wellington (Public)</td>
</tr>
<tr>
<td>(Segal &amp; Moore, 2002)</td>
<td>US $56 m</td>
<td>US $93m</td>
<td>Delaware County, Pennsylvania</td>
</tr>
<tr>
<td>(Tabarrok, 2003)</td>
<td>US $69.9 m</td>
<td>US $85.7m</td>
<td>The Legislative Budget Committee examined the construction costs of a government constructed prison compared with the construction costs for an identical private prison located in Florida.</td>
</tr>
</tbody>
</table>
Comparisons conducted on prisons with similar classification and size, revealed 5 of the 5 findings favoured the private sector for constructional costs. An example of inconsistent constructional costs is seen in Tabarrok’s (2003) study which compared a privately constructed Florida prison to a similar publicly constructed prison and found that construction costs were US$69.9 million and US$85.7 million respectively (Tabarrok, 2003). Furthermore, the private Junee Correctional Centre costs A$75.7 million (adjusted for average annual inflation up to 2005) to construct in 1992. This figure was compared to the publicly constructed Wellington Correctional Centre that was reported to have costs A$126.5 million to construct (NSW-Parliament, 2005).

Evidently, there are high levels of inconsistencies in the operation and construction of public and privately procured prisons. The private sector clearly outperforms the public sector, however, there is much debate as to why this is so. It has been questioned whether costs savings are nothing more than an outcome of reduced quality of confinement (Harding, 1998). Further, Kaduce et al. (1999) queries whether privatisation is achieving costs savings at the expense of the quality of services being provided, such as reducing staff numbers, minimising inmates requirements of programs and daily needs (Kaduce et al., 1999). Therefore, studies on management efficiencies, the satisfaction of staff and inmates need to be evaluated in order to determine whether inconsistencies are related to the broader operational efficiencies of prisons.

8. Conclusion

An obvious solution to resolve the inconsistencies in the delivery of prisons between the public and private sectors would be to either fully privatise or fully publicly deliver the entire prison system. However, there are numerous reports of failures with management by the private sector, as seen in the examples of Deer Park Women’s prison (Duffield, 2005) and the Port Phillip Remand Centre (Roth, 2004). Likewise, an all public system will also not address the issues of increasing prison population, crime rates, sentence lengths and most importantly the lack of government funding. Hence, the need to use alternate procurement methods is apparent. The BOO delivery system is one method currently used to procure prisons both internationally and in Australia, particularly in the State of Victoria. The design and construction stage of prisons is delivered more efficiently by the private sector with ample evidence indicating that the private sector can construct prisons far more economically than the public sector. Further inconsistencies between the likes of BOO and public sector delivery are also highlighted most specifically in terms of cost during the operational phase, where the private sector is more efficient.

As evident in the findings, the operational component is a significant factor in terms of inconsistencies. As the operation of prisons directly impacts on other areas of management efficiencies and indeed both staff and inmate satisfaction, then further research is required in these areas. Dividing the operational component between the public and private sectors may bring advantages. The cost savings by the private sector may be used to procure or finance other social infrastructure projects or to further improve the prison system. Moreover, staff satisfaction levels may improve if this aspect of delivery is retained in the public sector where State governments have a long and experienced history of offering custodial services. A Build-Own-Operate-Maintain (BOOM)
approach may overcome inconsistencies with the operational component classified as semi-privatisation. As one sector is responsible for each component and with all prisons following the same procurement model, inconsistencies may be minimised. The next stage of the research will explore this further and investigate management efficiencies and the satisfaction of both staff and inmates assessing any correlation between these issues and the operation stage of public and private prisons.

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