



Communities
& Justice



**CORRECTIVE
SERVICES
INDUSTRIES**

INFORMATION PACK

Business Opportunity

Private Sector Involvement in NSW Correctional Industry Programs

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1. Corrective Services Industries

Corrective Services Industries (CSI) is a Government Business Enterprise with over 100 business units, providing a hands-on, cost effective business solution achieving major commercial and social outcomes. An organisational unit of Corrective Services NSW, CSI is part of the Department of Communities and Justice.

CSI plays a central role in helping Corrective Services NSW and the broader Department to achieve its Statement of Purpose and Values. Its very existence flows from the longstanding community value which recognises that work is the cornerstone of an effective society. Accordingly, the commitment to work is a primary component of inmate rehabilitation within the NSW correctional system.

CSI also has an integral part to play in the efficient management of Correctional Centres and by creating meaningful activity for inmates, a mechanism is provided for them to contribute towards reducing the cost of their incarceration and towards the good order of the Centre.

Purpose

Reduce reoffending by improving education, vocational training and work opportunities for people in custody, whilst providing commercialised business practices, customer service, and quality products and services to internal and external customers.

Vision Statement

Achieve excellence in our performance, products and programs ensuring correctional industry best practice performance

Mission

Develop and maintain commercialised and service industries and educational programs that contribute to a reduction in the risks of reoffending by providing work opportunities and relevant skill set training

Values

- Service
- Accountability
- Trust
- Integrity
- Respect
- Creating a just and safe NSW

Objectives

CSI delivers on its mission through the following objectives:

Inmate rehabilitation

- To develop a work ethic
- To develop employment, vocational and life skills

Correctional Centre Management

- To enhance the personal development of inmates
- To alleviate boredom and/or the pursuit of undesirable activities
- To provide labour to help run Correctional Centres

Economic Considerations

- To enable inmates to contribute to reducing the cost of their incarceration
- To maximise the self sufficiency of Institutions
- To reduce the public funding of Correctional Services

Community Expectations

- To fulfill community expectations of reparation and rehabilitation
- To undertake community projects

2. Correctional Industry Contemporary Definition and Operations

Correctional Industry Programs in NSW are provided through various Correctional Centre service functions such as inmate food provision, building and ground maintenance to maximise the self-sufficiency of centres, and additionally through a range of commercially based operations trading as “Corrective Services Industries”, and commonly known as ‘CSI’.

CSI is structured through various business divisions including:

- Engineering
- Demountable and Modular Building
- Print
- Textiles
- Agriculture
- Food Services

- Technology and Assembly
- Buy Ups
- Furniture and Upholstery
- Facilities Maintenance
- Laundry
- Private Sector Business Units

Approximately one hundred commercial business units are currently in operation throughout the NSW Correctional System, providing a diverse range of products and services to the public and private sectors.

Please refer to the CSI website: www.csi.nsw.gov.au.

Private Sector participation is widespread throughout NSW Correctional Industries. This better enables Corrective Services NSW to focus on inmate management and the private sector on introducing a commercial culture and operational ethos.

Private Sector involvement in correctional industries can take a number of forms, including:

- Level 1: Private sector management and operation of business unit.
- Level 2: Business unit dedicated to a private sector organisation with private sector managerial support.
- Level 3: Subcontract work – continuous basis
- Level 4: Subcontract work – adhoc basis
- Level 5: Sale of CSI products/services to private sector.

A number of existing examples of private sector involvement in CSI are:

- Manufacture of office furniture incorporating furniture and upholstery
- Provision of printing services for packaging
- Manufacture of paper products
- Refurbishment of airline headsets
- Assembly of electrical sub components

3. Correctional Industries Scope

Without in any way restricting the scope of potential business opportunities submitted, it is important to consider the implications of operating commercial ventures in a correctional environment. This observation is made in the context of obvious difficulties of correctional industry operations where marketing strategies do not recognise operational constraints.

In this context the following factors require consideration:

Correctional Centre Security

Work undertaken by inmates, whilst offering considerable scope, cannot be permitted to compromise security in relation to the safety of staff, inmates and the community.

Correctional Centre Routines

The availability of inmates to work is related to correctional centre routines which impact upon availability of inmates for work, inmate working hours and other factors such as musters, legal visits, court appearances and the movement of inmates between centres.

Inmate Competency

The correctional population contains a core of trade skilled and vocationally experienced inmates who are able to undertake a broad range of work functions

However many inmates do not possess vocational work skills and therefore all correctional industry programs embrace employability skill programs to address these skill deficiencies.

Experience indicates that successful correctional industries are those that provide a continuity of production expectations coupled with skill requirements which recognise the turnover and capacity of the workforce.

4. Correctional Industries and Other Businesses

The organisation and operation of correctional industry programs in NSW adopts a sensitive approach to generating work opportunities to avoid any unreasonable impact upon community employment.

In this regard a range of controls are in place to ensure that correctional industry operations are sensitive to other businesses. The publication “CSI and Community Businesses”, enclosed within this package, sets out in more detail the nature of the issues involved and the controls in place including a grievance handling mechanism.

In addition the Correctional Industries Consultative Council – CICC, consisting of representatives of Business Australia, Australian Industry Group, Unions NSW, community representatives and senior officers of Corrective Services NSW is charged with the responsibility to oversight the business development and other activities of CSI to ensure they are indeed sensitive to other businesses.

5. About this Business Opportunity

CSI operates correctional industries at a number of locations throughout NSW.

CSI seeks proposals from the private sector to utilise the productive capacity of the above facilities.

Proposals could be, but not necessarily restricted to cost reduction initiatives or initiatives such as product and service range expansions, expansion of current operations.

In the case of each facility the level of capital infrastructure investment will be factored into the evaluation of proposals.

Please note that successful private sector Correctional Industry proposals will be documented by a contract, and a register will be kept for all parties that receive this information portfolio.

6. Guidelines for Proponents

To submit a business proposal the Industry Impact Statement template must be used. The proposal will be evaluated upon the following parameters:

- a) Current business structure, nature of business and references to support business credentials.
- b) Nature of business proposed.
- c) The objectives and any business related aspects that underlie interest in the proposed venture.
- d) An indication of company needs and expectations in relation to supervision of inmates, number of inmate workers and inmate skill requirements.
- e) A specific location for the venture should be nominated.
- f) The feasibility of the proposed venture to a correctional centre environment utilising inmate labour.
- g) The extent to which the productive capacity of the specified unit is to be utilised including recognition of the operating conditions and operating hours of the facility.
- h) The continuity with which that productive capacity utilisation can be sustained in the short and long term.

- i) The proposed level of involvement in the venture with particular emphasis upon management and staffing of the facility and interface with CSNSW staff.
- j) Proposed economic arrangements in relation to remunerating Corrective Services NSW for use of the facilities, overheads and provision of inmate employment.
- k) Proposed arrangements in relation to the provision of plant and equipment, supply of materials, consumables and transport.
- l) The proposed duration of any arrangement. A period involving a contract duration of a minimum of two years is preferred.
- m) The impact of the proposal upon other Australian businesses and the likely reaction of other businesses. (A copy of an industry impact statement schedule which would be required to be accepted by the Correctional Industries Consultative Council is enclosed.)
- n) When it is envisaged the proposal could be implemented.

7. Evaluation of Proposals

Evaluation of proposals will be carried out as a high priority. Subject to the acceptability, a submitted proposal may proceed directly to implementation subject to endorsement by the Correctional Industries Consultative Council.

In this regard, a key consideration when evaluating is the potential impact of any proposal on other businesses. It is stressed that point m) within Section 6 'Guidelines for Proponents' is a key evaluation parameter.

If you have any questions please do not hesitate to contact Director, Business Development on (02) 4582 2403. The Director, Business Development will be coordinating the evaluation of this proposal and is available to respond to any enquiries. You may wish to refer to the CSI website: www.csi.nsw.gov.au.

8. Attachments

- Industry Impact Statement Template

INDUSTRY IMPACT STATEMENT

Name of Company

Requirements for Industry Impact Statement

The proponent and or CSI/GEO/ MTC Broadspectrum and Serco representative must ensure that all fields within the Industry Impact Statement are completed and accurate. A CSI/GEO/MTC Broadspectrum and Serco representative can assist the proponent in this process.

- 1 Background to Industry Impact Statement.**
- 2 Name of sole trader; partnership; company, ABN number**
- 3 Name of principal/s, director/s.**
- 4 Address of proponent.**
- 5 Whether member of employer association/s. If not, why not?**
- 6 What is the nature of the proponent's business?**
- 7 What is the nature of the Correctional Industry business proposed? Does it service internal/external (Corrections) markets?**
- 8 Does the proposal embrace an import replacement or off-shore manufacturing prevention endeavour and if so, how is this achieved?**
- 9 What is the motivation for utilising a Correctional Industry opportunity?**
- 10 Does the business proposal align with the core business of the proponent and if so, how is this achieved?**
- 11 Who are the competitors of the business proposed (name and nature of businesses)?**
- 12 What effect will the proposed business have on your competitors:
a) Market share?
b) Employment levels?**

- 13 To the best of your knowledge will this proposal infringe on a competitors patent?
- 14 A) Profile the local workforce currently undertaking the activity proposed in Question 1.
List by:
i) Function of role (e.g. operational, manufacturing, admin)
ii) Number of permanent employees
iii) Number of temporary or casual employees
iv) Number of employees on a work related visa (e.g. 190, 457, 489)
v) Is the local work force employed by proponent or hired by a contractor

i) Function of role	ii) No. permanent workers	iii) No. temporary / casual workers	iv) No. work visas	v) Employed or Contractor
e.g. manufacturing				employed

B) Will this proposal have an effect on the number of workers and/or hours of work?

- 15 A) What trade unions provide coverage to the industry?

(Where the appropriate Trade Union is not known, the proponent is to contact the Secretary of the CICC on (02) 4582 2401 who will seek this information from Unions NSW to determine if there are any affiliated Trade Unions which would cover the proponents existing business activity)

B) Are the proponents existing employees being correctly remunerated under the applicable Industrial Award?

C) If industry award not in use, provide details of mechanism for remunerating employees?

D) Employers are to confirm that the Australian Government Fair Work Ombudsman's Fair Work Information Statement is given to new employees when they start work. This is a requirement by law.

<https://www.fairwork.gov.au/employee-entitlements/national-employment-standards/fair-work-information-statement>

- 16 Has the proposal been discussed with employees/trade union (provide formal documentation of dialogue covering these discussions). In a business activity where a Trade Union is represented, correspondence from the Trade Union

covering these discussions on the proponents proposed business activity with CSI is required.

In relation to this question the proponent is to allow Correctional Industries Consultative Council members to meet with staff of the proponent. The purpose of the meeting is to test the veracity of the Industry Impact Statement re employment matters and to ensure that staff are not going to lose their employment because of the business activity with CSI and to advise staff of the grievance handling mechanism developed by the CICC should they believe that their positions were being threatened because of the activity with CSI. The CICC members will include a representative nominated by Unions NSW and may include a representative from AIG, Business Australia or Community Representative depending on the proponent and CICC's requirements.

- 17 How many full time equivalent employment opportunities will the proposed activity provide to inmates?**
- 18 What vocational skills does the proposed business endeavour provide to inmates? Do these skills provide relevance to post release employment?**
- 19 What level of capital structure is required?**
- 20 Are there any other matters which are drawn to the attention of the Correctional Industries Consultative Council which may elicit adverse representations from the community/business or employee groups?**
- 21 Does the proponent agree to notify the Council (through the CSI Group Director, Industries and Education) of any significant changes to the business (i.e. employee numbers, market price, competitors, subcontractors, suppliers)?**
- 22 Does the proponent understand that if the Council is not notified of significant changes then termination of the agreement / operation is a potential sanction?**
- 23 An updated impact statement will be required every 6 months.**
- 24 Name, Position and Signature of proponent.**

Issue date: / /