

Prisons, privatisations and dollars: declaring and managing conflicts of interest

It has come as no surprise to close observers of the PSA that a former Assistant General Secretary, Paul McLeay MP, was caught up in reports about snouts in the Parliamentary trough. The Sunday Telegraph reported that a number of MPs, including Mr. McLeay, "are claiming thousands of dollars in compensation for having to travel to work from "non-metropolitan areas" of Heathcote, Blue Mountains and the Hawkesbury." The Telegraph goes on to point out:

"MPs benefiting from the Sydney Allowance include Ports and Waterways Minister Paul McLeay, who represents the electorate of Heathcote. He earns a base salary of \$130,540. To compensate him for living 35km from Sydney, Mr. McLeay is entitled to claim a Sydney allowance of \$246 per day. The Sydney allowance, together with this base salary, enables the junior minister to boost his salary to \$425,392." (*Big perks for MPs* Sunday Telegraph, 31 Jan, 2010)

What's this to do with the PSA today?

Transferred officers lose out

Union members will recall that senior PSA officials did not contest the government extending the definition of "[metropolitan Sydney](#)" to include the Wollongong, the Blue Mountains and north to Gosford for employees whose jobs have been re-located. Members have commented that 'it stinks that politicians help themselves to the largesse of their Sydney allowance while not acknowledging the hardship of employees who are forcibly transferred.' Under the 2008 pay deal [Memorandum of Understanding](#) excess employees who are "required to relocate to take up a suitable position" also fall under the more restrictive Crown Employees (Transferred Officers Compensation) Award, 2009.

Correctives workers lose out

It was the same Mr. McLeay, MP who took a disclosed [\\$2000 donation](#) from GEO Group, a company involved in Prisons privatisation. Paul McLeay is also on record with the Electoral Funding Authority for having received [\\$1200](#) from the Public Service Association at a time when political donations were contrary to PSA Rules. At around the time that he received these donations Mr. McLeay was Vice Chair on the Parliamentary Inquiry into the [Value for Money from NSW Correctional Centres](#). The PSA put a lot of effort in fighting prison privatisation and was successful in saving Cessnock but not Parklea. Parklea Prison is now run by GEO Group. Some PSA members who work in Correctives wonder why the PSA leadership appeared to them to be having a bet each way on the privatisation issue.

Union members regard it as naïve in the extreme for the Parliamentary Inquiry report to claim that there is no evidence that large multinational corporations attempt to influence governments to make decisions favourable to their bottom line.

From the 'Value for Money' Inquiry report:

"Detractors of privatisation argue that companies should not profit from incarceration and that there is no incentive to rehabilitate inmates as a reduction in the number of inmates will lead to a less profitable industry. By reducing the number of repeat offenders, private companies are in effect reducing the demand for their services and their revenue. However, in the course of this inquiry, the Committee saw no evidence that would support these arguments."

[Value for Money from NSW Correctional Centres](#) , Page 3

Declare and manage conflicts of interest

While we are not asserting that either donation influenced Paul McLeay it is hard for members to have confidence in the outcome when he is able to receive such donations. Similarly we expect our union officials to avoid or declare and manage their conflicts as recommended by PSA Annual Conference and the Industrial Relations Act. Yet senior officials have not officially declared the following interests nor said how they will manage them.

Contrary to PSA Annual Conference resolution and contrary to the NSW Industrial Relations Act several PSA Executive members have refused to disclose their potential conflicts of interest to members. It is a matter of public record in the Annual Reports of [State Lotteries](#), [Macquarie Generation](#) and [WSN Environmental Solutions](#) that the PSA President, General Secretary and Assistant General Secretary hold positions on those respective Boards of Management.

<http://publications.nsw.gov.au/annual-reports/2008/Lotteries%20Annual%20Report%202008.pdf/view>

<http://www.macgen.com.au/Governance/BoardofDirectors.aspx>

http://www.wasteservice.nsw.gov.au/dir138/wsn.nsf/Content/About+Us_Publications

Board positions such as these on State Owned Corporations are held due to the union official's position and are well paid. It also happens that the PSA which they lead covers members in those State Owned Corporations. Do these Board positions constitute a potential or actual conflict of interest? Does the extra income from government appointed positions compromise the ability of these senior union officials to do the job which PSA members have elected them to do? We'll leave it up to you to decide.

On prisons privatisation here is some further reading of interest:

["Privatisation of Prisons"](#) By Lenny Roth for the NSW Parliamentary Library Research Service, Background Paper, 3/04; Published, 2004.

The Background Paper concluded in part:

"The debate about private prisons continues but it is no longer purely theoretical. Anecdotal evidence now exists along with a number of empirical studies that have evaluated the performance of private prisons. Most of these studies have been carried out in the US and the UK. As McCartney states, "private prison research is still in its

infancy in Australia" and "if claims by privatisation supporters or dissenting arguments by its detractors are to be upheld or discredited, it is evident that there is a need for more research." In NSW, the Department of Corrective Services conducted a four-year review of the Junee private prison and a number of different statutory officers have

reported on activities at Junee. However, this evidence does not allow for a proper comparison with public prisons in NSW or for a proper determination of whether Junee has had any impact (positive or negative) on the NSW prison system."