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Delivering CORRECTIONAL Outcomes

A new correctional facility in Ravenhall, Victoria, will help manage the state's growing prison population and support prisoners pre- and post-release in a bid to reduce the state's current recidivism rate.

Images by Paolo Benini

In its May 2012 budget, the Victorian Government announced a new medium security men's prison would be built in Melbourne's west through a public-private partnership (PPP). GEO Consortium won the public tender, signing the Ravenhall Prison Project contract late last year, and is responsible for the design, construction, financing, maintenance, and operation of the new prison. The cost of the 'full service' contract over 25 years is \$2.529 billion in net present-cost terms.

The new prison will initially accommodate 1,000 prisoners, but will be built with capacity for 1,300 if required in the future. Ravenhall will enhance community safety by securely and humanely containing prisoners, while providing extensive programs and services designed to reduce reoffending. Elements of the prison include 75 dedicated forensic mental health beds and a 25-bed 'close supervision unit'.

Ben Dempsey, Director of EIG, an infrastructure advisory firm, was

appointed project director by the Department of Justice & Regulation in December 2012 to oversee and manage the development of Ravenhall from start to finish. Ben has extensive experience in PPPs and brings a vast degree of knowledge to the role.

"While I am not a correctional expert, I am an infrastructure specialist," he explains. "I started my career in quantity surveying, or construction economics, and then studied law when I was in my early thirties. Since then, I have predominantly been involved in leading and advising government on PPP projects, including two other Victorian PPP prisons about 12 years ago.

"I believe I have a thorough understanding of the market and what the market finds attractive. Having been closely involved in a number of these types of projects, I can readily recognise the commercial aspects and drivers, as well as the pressure points, for bidders putting proposals together. When it comes to PPPs, it's really about understanding government's

PPP requirements and working closely with Treasury representatives to ensure they are achieved. We understand how to work with government stakeholders and get the best out of the market to achieve a great long term outcome for the state."

Given the complexity of a full-service PPP, Ben also recognises the importance of establishing a close working relationship with Corrections Victoria, and in particular the commissioner, to ensure that Ravenhall is effectively integrated into Victoria's prison system.

The Ravenhall Prison Project is currently in the development stage and is expected to be completed by late 2017. Once operational, the prison will address four key needs: providing additional capacity in the Victorian correctional system; delivering specialist mental health services for prisoners with a mental illness; reducing the rate of reoffending; and achieving innovation and greater operational efficiencies. "Those are the core objectives of the project," Ben says. >

Ravenhall

CONTINUUM OF CARE

The GEO Group Australia is the country's leading provider of outsourced correctional services.

Every day we manage over 3,800 prisoners in our correctional centres, helping them reduce their risk of re-offending.



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“Ravenhall, certainly for the first time in Victoria and perhaps for the first time in Australia, will have a purpose-built forensic mental health unit. That unit will encompass acute, sub acute, and transitory components for prisoners to eventually move back to other areas of the prison or into the community.

“Ravenhall will also have what we call a ‘close supervision unit’, a highly specialised unit for those prisoners who don’t necessarily have a mental health problem but exhibit very challenging behaviours. They may have an acquired brain injury through violence, drug abuse, or an injury, and don’t fit very well within the mainstream prison population. Ravenhall will introduce a clinical overlay and provide access to support programs to try to manage their behaviours in the best way possible.”

The new correctional facility will heavily focus on providing pre- and post-release support to offenders in an effort to lower the recidivism rate and benefit the wider community. The vision is for offenders to have stable housing and employment when they are released, and the opportunity to reconnect with their families and the community. The GEO Consortium—which includes prison operator and equity investor GEO Group, builder John Holland, security and facilities management provider Honeywell, and financial adviser Capella Capital—is committed to meeting these objectives.

The Ravenhall PPP will introduce an innovative feature called ‘payment by results’, which is being trialled in other countries but is still in its infancy. The idea is that some of the payments to the operator are linked to the achievement of KPIs relating to defined reductions in recidivism.

“GEO is delighted to have been selected by the State of Victoria to deliver innovative and effective solutions that address the challenge of reoffending. Ravenhall Prison will be a world-leading facility, contributing to reduced recidivism and safer Victorian communities.” - Pieter Bezuidenhout, Managing Director, The GEO Group Australia

“Ravenhall is not about minimal cost; it’s about driving long-term outcomes that will eventually make the community safer.”

- Ben Dempsey

“The private sector is often incentivised by financial means, so payment by results provides an additional incentive to overperform,” Ben explains. “The operator can access this additional payment by beating the state’s recidivism rate by 12 per cent for all prisoners and 14 per cent for Indigenous prisoners.

“While there is an accrued measurement system for prisoners released from Ravenhall, intermediate KPIs measure the extent to which prisoners have effectively reconnected with the community after release. This includes whether they have had stable housing and employment, whether they have continued to attend their support programs or mental health clinicians, and so on. I suppose you could say that the consortium has put its money where its mouth is, and it will be very interesting to see how this progresses.”

In recent years, the number of people returning to custody within two years of release from prison has been on the rise and is expected to reach more than 40 per cent. According to Ben, growth in the prison population, which has led to greater demand for support programs, is a primary cause of the rise in reoffending. “Ravenhall is not about minimal cost; it’s about driving long-term outcomes that will eventually make the community safer,” he notes. “It will also lead to a more cost-effective system when you consider the costs of incarceration and the impact of the crimes that are committed by those who reoffend.”

To achieve a positive outcome with this project, Ben has had to work very closely with the GEO Consortium as well as other business and community alliances, including the major Australian banks. “These projects are only successful if all the organisations work together using their respective strengths,” he says. “That’s really, I suppose, the beauty of the PPP arrangement: bringing together a range of specialists with their various



elements of expertise, whether in operations, equity, design, construction, or debt. They can all come together and package up a ‘whole of life’ solution for the state because these are long-term service delivery deals. It is not just about building an asset.

“That also colours the thinking of our partners. They are not in it for a short-term return; they’ve got to be there for the long haul. That’s what we also found appealing about the GEO Consortium. As the equity provider, they have a lot of money on the table, a lot of ‘skin in the game’, as we say. They are backing themselves to be able to pull this off and to provide their services for the long term. In a nutshell, these projects just wouldn’t get off the ground without a high degree of collaboration and a collegial approach to how a deal is structured and put together.”

While the Ravenhall Prison Project is still in its early days, Ben is happy with the progress so far: “I think it reflects the decision we made and the consortium we selected, their experience in operations and in putting PPP projects together. They know what’s expected, they know what they’ve promised, and, so far it’s going very well. The focus is entirely on delivering correctional service outcomes and trying to reduce recidivism rates in Victoria.”