



Government of **Western Australia**  
Department of **Corrective Services**



## **ANNUAL REPORT 2011/12**

Contract for the Provision of  
Court Security and Custodial Services

This report covers the operation of the  
Contract for the Provision of Court Security and Custodial Services

30 September 2012



Government of **Western Australia**  
Department of **Corrective Services**

## **Contract for the Provision of Court Security and Custodial Services**

Annual Report 2011/12

### **TO THE MINISTER**

Hon Murray Cowper MLA  
Minister for Corrective Services

In accordance with section 45 of the *Court Security and Custodial Services Act 1999*, I hereby submit for your information and presentation to Parliament the 2011/12 Annual Report of the Contract for the Provision of Court Security and Custodial Services.

Under section 45 of the Act, the Chief Executive Officer of the agency principally assisting the Minister for Corrective Services, is required to prepare a report on services provided by the Contractor for the preceding 12 months.

This report presents an overview of services provided under the Contract by Serco Australia Pty Limited.

Compliance information and statistical information in the report are presented for a contract year, which operated from 31 July 2011 to 30 July 2012.

Ian Johnson  
COMMISSIONER  
DEPARTMENT OF CORRECTIVE SERVICES

30 September 2012

Department of Corrective Services  
141 St George's Terrace  
PERTH WA 6000

Telephone: (08) 9264 1711 or 13 12 17  
[www.correctiveservices.wa.gov.au](http://www.correctiveservices.wa.gov.au)

# CONTENTS

1.	CONTENTS .....	3
2.	FOREWORD AND COMMISSIONER'S MESSAGE .....	4
3.	EXECUTIVE SUMMARY .....	6
4.	BACKGROUND – HISTORY OF CONTRACT .....	8
5.	TRANSPORTATION SERVICES .....	9
6.	COURT SECURITY AND CUSTODIAL SERVICES.....	13
7.	CONTRACT COMPLIANCE AND CONTRACT COSTS .....	14
8.	TRAINING .....	20
9.	CONTRACT REVIEWS .....	20
10.	ACHIEVEMENTS 2011/12 .....	22
11.	CHALLENGES FOR 2012/13 .....	24
12.	CONCLUSION .....	25

## **2. FOREWORD AND COMMISSIONER'S MESSAGE**

Court security and custodial services in Western Australia underwent significant change in 2011/12. I am pleased to report that this change afforded an opportunity to revitalise and significantly improve the principles underpinning the Court Security and Custodial Services Contract and way in which the services are delivered.

The Department of Corrective Services (DCS), in collaboration with the Department of the Attorney General and the Western Australian Police (WA Police), re-evaluated the service design, governance, performance objectives, and sourcing of the services provided under the Contract.

The new Contract was advertised as a public tender, and was awarded to Serco Australia Pty Ltd in June 2011, with services commencing from 31 July 2011.

The new Contract includes a raft of improvements and innovations, including:

- An overhaul of service design, governance, new performance objectives, and sourcing of funding for services.
- An upgrade to the monitoring of performance standards and development of new Key Performance Indicators, along with a new Abatement Regime to provide an incentive for the Contractor to continually improve services.
- Improved Duty of Care considerations.
- Higher levels of training for contracted employees.
- Development of an online information system for the accurate collection and sharing of data.
- An improved information system for tracking persons in custody
- Improvements in the collation and integration of intelligence, including health or 'at risk' information.
- The successful transfer of the Secure Vehicle Fleet from the State and implemented by DCS, to the Contractor. This also includes responsibility for coach and air transport of persons in custody throughout the State. These changes have greatly improved the safe, secure and humane manner in which prisoners are moved around Western Australia.

Another area in which significant steps have been taken includes the new Hub Clearance model being implemented with the WA Police. It is designed to clear regional lock-ups within 24 hours, rather than the former 72 hour system, thereby releasing valuable Police resources back to frontline activities.

The transportation of Persons in Custody in Western Australia presents considerable challenges and risks to both the community as well the people being moved. Approximately 33, 000 Person in Custody movements take place a year, over a distance of 2.5 million square kilometres, such distances being unique to the State of Western Australia.

Approximately 8,200 of these movements are conducted in regional areas, facing risks such as extremes of temperature, weather and limited custody and containment facilities.

These risks need to be managed while maintaining security of the community as well as ensuring the safety, dignity, wellbeing and health of Persons in Custody. It is essential that services are provided within agreed timeframes, thus adding another consideration, significant to the benefits associated with the new Contract between the State and Serco.

The Department continues to develop practices that reduce the need for unnecessary prisoner transport. In conjunction with the Department of the Attorney General, the Department has continued to promote the use of audio-visual technologies for court appearances. This effort has resulted in an increased use of such technology, with about 70% of all appearances now carried out by video link.

A significant amount of change has been made to the Contract in the past 12 month reporting period. It is testament to the co-operative and collaborative manner in which the agencies involved have worked that these changes have been implemented with minimal disruption to the delivery of services.

I am continually impressed with the professionalism of the Contract Management Branch and their commitment to ensuring the delivery of high quality services at a cost that is acceptable to the State. The use of on-site monitors remains unique within Australia. As independent observers, they play a pivotal role in providing me with confidence that the Contractor is operating in accordance with their contractual obligations.

I look forward to working with the new Contractor, Serco Australia, in ensuring the continued delivery of first-class court security and custodial services throughout Western Australia.

Ian Johnson  
COMMISSIONER  
DEPARTMENT OF CORRECTIVE SERVICES

### **3. EXECUTIVE SUMMARY**

This Annual Report of the Contract for the Provision of Court Security and Custodial Services ('the Contract') covers the period 31 July 2011 to 30 July 2012 inclusive ('twelfth service year'), and it covers the first service year with Serco Australia Pty Ltd. The previous Contract with G4S Custodial Services terminated on 30 July 2011.

Having tendered for a service provider to undertake court security and custodial services beyond 31 July 2011, the Department awarded the Contract to Serco Australia Pty Ltd. The transition from G4S Custodial Services to Serco was handled smoothly and without incident.

The new Court Security and Custodial Services Contract, which includes prisoner transport, commenced for an initial term to 30 June 2016, with extension options of up to five years. The previous contract was cost-plus, while the new Contract is based on a fixed monthly service fee for delivering specified service volumes identified across 17 pricing tables that are subject to quarterly service volume band reviews. The new Contract allows for growth in demand, without incurring an increase to costs. It also provides for greater price certainty despite any demand variability.

Under the new Contract the Contractor will be responsible for the provision, maintenance and replacement of the Secure Vehicle Fleet, as well as air and coach transportation of persons in custody across Western Australia.

The Contract also provides for a greater number of high-level security officers (40 more than the previous Contract) to be deployed across the State. It is a requirement of the Contract that these officers be trained to a higher level than was previously expected, which should flow through to a better quality service.

The new Contract includes an Abatement Regime based on the Contractor's service delivery performance measured against Key Performance Indicators.

The service requirements under the new Contract have also been improved. There will now be an expectation that the Contractor will deliver 100% of all services in accordance with the contracted service requirements. The Abatement Regime will apply if the Contractor fails to deliver services as required.

In addition to the improvements outlined above, regional police lock-ups will be required to be cleared within 24 hours under the new Contract, as opposed to the 72 hour clearing period that formerly applied. Greater use will also be made of air transport for regional prisoner movements.

A further innovation is the development of an electronic prisoner escort recording system (SERS) that will be integrated with the Department's information management systems.

The Department has improved its monitoring of the Contract through the above initiatives. It has also continued the work of the Monitoring Team with its regular audits and reviews of court security and custodial services Statewide. This will result in greater scrutiny of service delivery and will enable the Department to identify issues in a timely manner, and seek prompt remedy from the Contractor when issues of concern arise.

As may be seen, the new Contract has a greater focus on services carried out to the highest standard within set timeframes and with a high degree of duty of care. The monitoring processes, and the Abatement Regime, will ensure these high levels of service delivery are maintained throughout the State.

Highlights in 2011/12 were:

- The smooth transition of Contract from G4S Custodial Services to Serco Australia Pty Ltd.
- The successful transfer of the secure vehicle fleet from the State to the Contractor.
- The establishment of the Canningvale Purpose-built Base. The move from Hakea to a purpose-built facility for vehicles and staff was completed, resulting in an improvement to the general efficiency of operations.
- An increased number of Contract staff with permits for high level security work.
- A variation to the Contract for the provision of a prisoner transportation service between the Broome Regional Prison and the new West Kimberley Regional Prison was negotiated. It will commence from 1 October, 2012.
- The introduction of a 24 hour lock-up clearance from regional police stations.
- Organisation of Broome to Wyndham Work Camp (and return trip) prisoner transfers.
- Creation of Regional Transport Pricing Table Variations for more efficient long haul movements.
- Improvement to the Funeral Policy for regionally located funerals has been made.
- Improvements to the Key Performance Indicator Regime have been developed and implemented.
- An overall reduction in movements has been achieved (use of AV for approximately 11,000 individual uses), resulting in particular benefits to the regional areas.

Much work has gone into improving the Contract, how it is governed and the quality of service it demands. The Contract Management Team has met these challenges proactively.

The 2012/13 Contract year heralds a period of consolidation and presents opportunities to refine and develop a more focused Contract for the Provision of Court Security and Custodial Services. It also presents opportunities improvement.

#### 4. BACKGROUND – HISTORY OF CONTRACT

In January 2000, the then WA Department of Justice entered into a Contract for the Provision of Court Security and Custodial Services with the Corrections Corporation of Australia (CCA) for a five year period, with options for two further three year contract extensions.

CCA, who later changed its name to Australian Integration Management Services (AIMS) Corporation, began delivering the services on 31 July, 2000.

At the end of the first five year contract term in 2005, the first option to extend the Contract for three years was exercised, taking the Contract through to 2008. During the period of this first option, the then Department of Justice was split into two separate Departments – the Department of Corrective Services and the Department of the Attorney General – effective 1 February 2006. The change created a complex service delivery and contract management structure with services delivered to the two departments and a third agency, the WA Police.

Through a notation under the *Court Security and Custodial Services Act 1999*, in the Notice of Administration of Departments, Authority, Statutes and Notes, the Director General of the Department of the Attorney General had responsibility for the administration of the *Court Security and Custodial Services Act 1999*. Contract Management functions were undertaken by the Department of Corrective Services through a formal delegation by the Director General of the Department of the Attorney General.

The Department of Corrective Services provided overall contract management, while the management of the Contract's operations and services was undertaken by the Department of Corrective Services (particularly Custody Transport) and the Department of the Attorney General (particularly Court Security and Court Custody). The WA Police, while having no contract management role, is also a client agency making use of the custody movement services provided under the Contract.

In 2008, the Government Department responsible for assisting the Minister for Corrective Services in the administration of the *Court Services and Custodial Services Act 1999*, changed from the Department of the Attorney General to the Department of Corrective Services. As such, the Principal to the Contract for the Provision of Court Security and Custodial Services is now the Commissioner of the Department of Corrective Services.

In 2007, the Contract was novated from AIMS to Global Solutions Limited (GSL). The Department of Corrective Services also chose to exercise the final three year contract extension option, and extended the Contract to 2011.

In May 2008, GSL was acquired by Group4Securicor, an international security solutions group. In January 2009, GSL changed its Australian operating name to G4S Custodial Services to reflect the aforementioned change in ownership.

The Contract was publicly tendered in 2010 and the successful respondent was Serco Australia Pty Ltd. G4S Custodial Services continued to provide services under the Contract until the termination of the Contract on 30 July, 2011. Serco Australia Pty Ltd commenced transition in June, and commenced service delivery on 31 July, 2011.

## 5. TRANSPORTATION SERVICES – MOVEMENT OF PERSONS IN CUSTODY

### 5.1 Persons in Custody Movement Services (Transport)

#### a. Description of Service

The provision of persons in custody movement services includes the transportation of such individuals between police lock-ups, courts, court custody centres, prisons, and remand centres.

Other movements include persons in custody attending funerals, medical appointments, or other locations for approved purposes as determined by the client agencies, and services whereby a person in custody is admitted to a hospital and requires security.

**Table 1. Individual Custody Movements Performed**

SERVICES	MOVEMENTS	COMMENTS
Inter-prison Transfers	5,338	Inter-prison movements include metropolitan to regional and vice versa, and within regional areas and the metropolitan area. Movements are conducted by coach, air or secure vehicle. There was a reduction of 9.1% in movement of prisoners during 2011/12.
Court to Prison	6,751	The flow of prisoners to and from courts over the last 12 months has decreased by 27.3%. This is mainly due to the increased use of video link technology.
Prison to Court	8,152	
Medical Appointments	4,218	Scheduled and unscheduled medical appointments have decreased by 1.2% in this reporting period.
Funerals	393	Funeral movements have decreased by 5% in this reporting period.

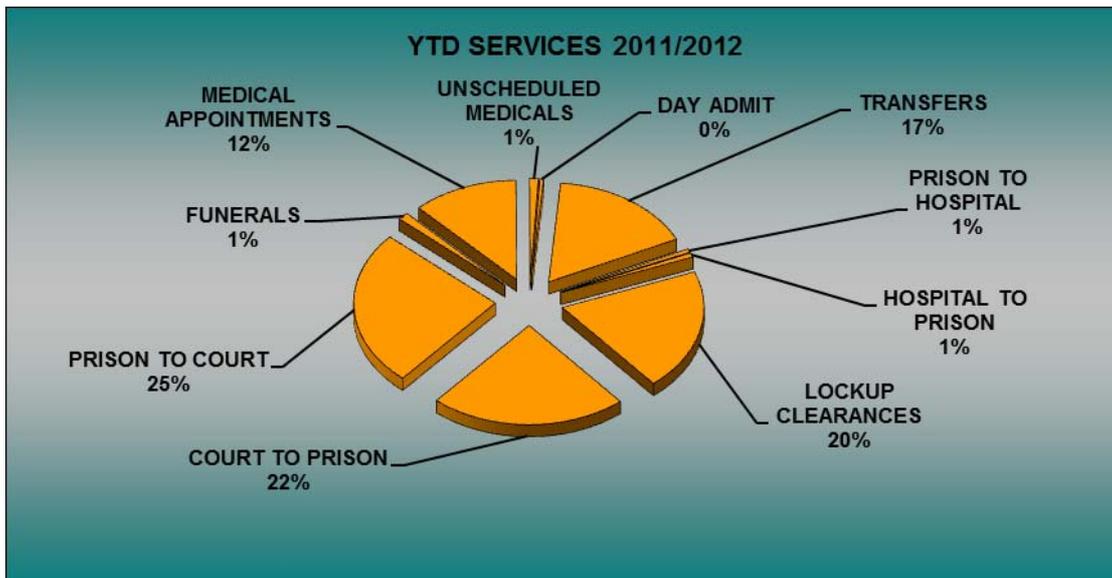
Day Admissions	134	These services are for prisoners who are admitted to hospital for surgical or other procedures. This figure indicates a 5% decrease on that of the previous year.
Prison to Hospital	184	This service has remained relatively constant.
Hospital to Prison	217	
Lock-up Clearance (Metropolitan and Regional)	5,715	<p>Lock-up clearance numbers have increased from the previous service year by 11.9%.</p> <p>For regional areas, this service clears Persons in Custody from Western Australian Police 24 Police Hub locations to local regional Prisons. This service requirement has changed (from the previous Contract) from clearance within 72 hours notice to 24 hours notice.</p> <p>For metropolitan areas Persons in Custody are cleared from the East Perth Lockup to Prisons or to court.</p>
Visits	48	These services include visits to ill relatives and other approved escorts. This figure is a 22.5% decrease on that of the previous service year.

A total of 33,667 persons in custody were transported by various means (air, coach, secure vehicle, or other craft) during the service year. Of the total number of movements, 2,517 were conducted by the previous Contractor in the month of July, 2011.

**Figure 1. Monthly Contracted Transport Services**



**Figure 2. Annual Service Delivery of each Contracted Transport Service**



**b. Total Expenditure – Custody Movement Services**

The total cost of providing custody movement services in 2011/12 for metropolitan and regional areas was \$26,844,108.

The 2011/12 cost of movement services includes 100% service provision, as well as air charter, coach movements and the cost of maintaining and managing the Secure Vehicle Fleet, and, in addition, the new Police Lock-up Hub Clearances.

## **5.2 Secure Vehicle Fleet**

The Department transferred 32 of its Secure Vehicle Fleet, at an agreed price, to the new Contractor and those vehicles have become the responsibility of the Contractor to service, maintain and replace as required by the terms and conditions of the Contract.

Since the initial transfer, a further two vehicles have been provided to the Contractor bringing the total number in the fleet to thirty-four. The Department has undertaken a regime of regular inspection and compliance checks of the fleet, through the monitoring reporting system, to ensure the ongoing safety levels of the Secure Vehicle Fleet are maintained.

Serco now provides all coach and air transport services through sub-contractors. Service schedules from previous contract years have been maintained.

## **5.3 Increased Use of Video Links to Courts**

The Department will continue to focus on reducing unnecessary prisoner movements by collecting data, identifying strategies and managing the effects of new processes in this area. A major component will be the analysis of data to identify the reasons persons in custody are moved and, additionally, initiatives will be established to reduce prisoner movements to only those that are essential. The Department will continue to promote the use of audio-visual links for court appearances, in order to reduce the number of prisoners transported between regional and metropolitan locations.

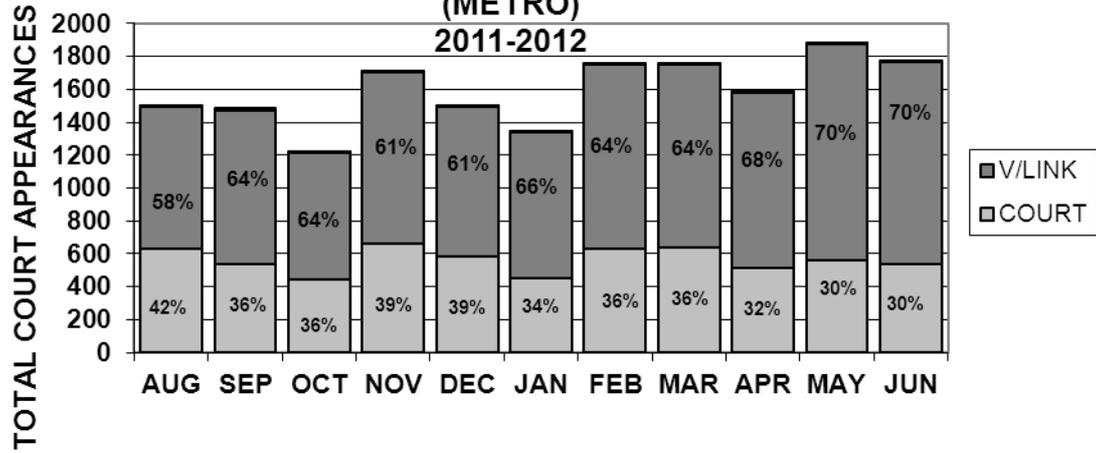
There will also be a need to address external impacts such as: the dislocation of persons in custody from their home territory; and, ensuring the use of audio-visual technology does not impact negatively on an individual's access to justice. These initiatives are being developed and carried out in conjunction with the Department of the Attorney General and the Aboriginal Legal Service.

The following Chart 1, outlines the number of court attendances and the percentages of those attendances that were facilitated by video link.

There were a small number of occasions where the programmed video link did not eventuate due to technology failure, or at the request of the judicial officer.

### **Chart 1. Court Attendances and Video Link Appearances**

**COURT ATTENDANCES AND VIDEO LINK  
APPEARANCES  
(METRO)**



## 6. COURT SECURITY AND CUSTODIAL SERVICES

### 6.1 Court Custody and Court Security

#### a. Description of Service

The Contract provides for court security and court custody services at major metropolitan and regional courts throughout Western Australia and in designated jurisdictions.

Court security is the provision of security services (excluding custody) and generally includes court orderlies, gallery guards, perimeter security to external premises and internal security of public areas within major courts.

Court custody is the provision of security services within the court custody centre and the secure circulation paths leading to and from courtrooms. This includes dock guards in courtrooms for the management of persons in custody, and the management of custody centres where one forms part of a court complex.

#### b. Court Custody and Court Security Costs

The cost of providing court custody and court security services in 2011/12 for metropolitan courts was \$10,059,472 and regional courts \$7,115,422. The total cost of services was \$17,174,894 for the 2011/12 reporting period.

**Table 2: Court Sitting Days**

STATE TOTALS			
Month	Metro	Regional	Total
Jul -11	0	0	0
Aug-11	422	296	718
Sep-11	416	270	686
Oct-11	314	279	593
Nov-11	409	301	710
Dec-11	332	255	587
Jan-12	348	249	597
Feb-12	405	282	687
Mar-12	414	310	724
Apr-12	344	232	576
May-12	425	295	720
Jun-12	400	264	664
Total	4637	3267	7904

## **6.2 Serco Escort and Recording System (SERS)**

Serco Escort and Recording System (SERS), has been developed by Serco to support the management of prisoner escort and court supervision duties.

SERS was launched in the United Kingdom in 2011, and has been further customised and refined in Australia as a key part of Serco's Western Australian Court Security and Custodial Services Contract.

The application of SERS enables close monitoring of the prisoner during the period in which they are under Serco's care and supervision.

Automated 'feeds' from the Department's Total Offender Management System (TOMS) ensures all transport requests are fed through to SERS to be actioned by Serco. Serco staff have access to SERS via personal computers, or tablets, and can record all interactions with each prisoner.

The SERS launch dates were 16 June 2012 for Court Custody Centres, and 6 August 2012 for secure vehicles.

## **7. CONTRACT COMPLIANCE AND CONTRACT COSTS**

The Contract operates under a clearly defined governance framework that is overseen by a Joint Management Board. The purpose of the Board is to provide direction and advice on strategic and policy issues that affect the management and provision of services under the Contract. The Board is chaired by the Corrective Services Commissioner and comprises internal representatives, external stakeholders and the Contractor. The objectives of the Board are to:

- examine and resolve strategic issues that affect the Contract
- ensure compliance requirements are met
- facilitate improvements in the performance of the Contract
- review the ongoing relevance of aspects of the Contract
- provide a forum for co-ordination of relevant budget process and to ensure that planning priorities inform the budget process.

### **7.1 Monitoring of Services**

The first service year of the new Court Security and Custodial Services Contract saw an emphasis on active daily monitoring of the contracted services. This includes the services provided to metropolitan courts and custody centres and prisoner transportation, including medical appointments, funeral escorts, hospital sits and East Perth lock-up clearances.

The monitoring role was expanded in 2011 to include monitoring of the court security and custodial services at the District Court Building and Central Law Courts. These services are provided under a different contract managed through the Department of the Attorney General. Custodial services in each court remain, however, the responsibility of the Commissioner, Department of Corrective Services.

The Monitoring Team continues to undertake Process Review Audits at regional locations where court custody and security services and prisoner transport services are provided by the Contractor, such as Kununurra, Broome, Roebourne, South Hedland, Carnarvon, Geraldton, Eastern Goldfields, Albany and Bunbury.

The court security and custodial services Monitoring Team (consisting of six officers) rotates in pairs, on a 12 monthly program, with Monitors from the Acacia Prison site. In late 2012, Monitoring Services will be expanded to include the Wandoo Reintegration Facility, a facility for young adults, to be opened in Murdoch in the 2012/13 financial year.

Table 3 identifies the Daily Operational Reviews undertaken at the metropolitan sites, and Reviews of transport and escort services provided within the metropolitan area.

**Table 3. Schedule of Daily Operational Reviews Completed**

Transport / Escorts		Courts			
Hospital Sits	127	Armadale Court	59	Midland Court	67
Medical Escorts	100	Central Law Courts	72	Perth Children's Court	51
Funeral Escorts	16	District Court Building	67	Rockingham Court	55
Inter-prison Escorts	136	East Perth Watch House	7	Stirling Gardens	25
Prison/Court/Prison Escorts	1611	Fremantle Court	47	Supreme Court	54
Vehicle Standards	164	Joondalup Court	58		
Royal Perth Hospital	81	Mandurah Court	52		

Table 4 provides the Schedule of Process Reviews undertaken at all sites, regional and metropolitan, for the first service year. Process Reviews include an individual appraisal of each contracted role and process undertaken within a site. A Process Review takes up to five days to complete.

**Table 4. Schedule of Regional and Metropolitan Process Reviews Completed**

Sites/Facilities Reviewed	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Albany												
Broome												
Bunbury												
Roebourne												
South Hedland												
Carnarvon												
Geraldton												
Kalgoorlie												
Kununurra												
Armadale Court												
Joondalup Court												
Midland Court												
Perth Children's Court												
Fremantle Court												
Mandurah Court												
Rockingham Court												
Supreme Court												

## 7.2 Overview of Contract Cost of Service

### a. Cost of Service

The cost of delivering services under the Contract has increased steadily during the life of the agreement. In previous years, the major driver was increasing demand from client agencies for services, with the cost per hour to deliver the services being relatively stable.

In 2010/11, the Department provided G4S Custodial Services with additional funds to enable the secondment of metropolitan based officers to work for short periods at regional locations. This resulted in a 6% increase to the budget, with the additional funds covering overhead costs only.

In 2011/12 the Department of Corrective Services provided Serco Australia Pty Ltd with \$44 million to provide Contract services. Given the significant changes to the

CSCS & Contract, comparing figures with that of the previous service year is problematic and yields little meaning.

In total, the cost of delivering the service during 2011/12 was approximately \$43.5 million.

**Table 5. Contract Costs**

	DOTAG SERVICES (GST excluded)						
	CS&CS Budget			Court Security Services (Metropolitan)	Court Security Services (Regional)	Court Custody Services (Metropolitan)	Court Custody Services (Regional)
	TOTAL	DCS	DotAG				
July	\$2,899,671	\$1,536,826	\$1,362,845	\$681,423		\$681,423	
August	\$3,738,121	\$2,300,662	\$1,437,459	\$646,857	\$517,485	\$143,746	\$129,371
September	\$3,738,121	\$2,300,662	\$1,437,459	\$646,857	\$517,485	\$143,746	\$129,371
October	\$3,738,121	\$2,300,662	\$1,437,459	\$646,857	\$517,485	\$143,746	\$129,371
November	\$3,738,121	\$2,300,662	\$1,437,459	\$646,857	\$517,485	\$143,746	\$129,371
December	\$3,738,121	\$2,300,662	\$1,437,459	\$646,857	\$517,485	\$143,746	\$129,371
January	\$3,738,121	\$2,300,662	\$1,437,459	\$646,857	\$517,485	\$143,746	\$129,371
February	\$3,738,121	\$2,300,662	\$1,437,459	\$646,857	\$517,485	\$143,746	\$129,371
March	\$3,738,121	\$2,300,662	\$1,437,459	\$646,857	\$517,485	\$143,746	\$129,371
April	\$3,738,121	\$2,300,662	\$1,437,459	\$646,857	\$517,485	\$143,746	\$129,371
May	\$3,738,121	\$2,300,662	\$1,437,459	\$646,857	\$517,485	\$143,746	\$129,371
June	\$3,738,121	\$2,300,662	\$1,437,459	\$646,857	\$517,485	\$143,746	\$129,371
<b>Sub Total</b>	<b>\$44,019,002</b>	<b>\$26,844,108</b>	<b>\$17,174,894</b>	<b>\$7,796,845</b>	<b>\$5,692,338</b>	<b>\$2,262,627</b>	<b>\$1,423,084</b>

**b. Abatement Regime**

Under the previous Agreement the Contractor was awarded a Performance Linked Fee (PLF). This was a bonus paid to the Contractor as an incentive to provide services to the requisite contract service standard. The payment was adjusted based on a sliding scale of service failures that applied abatement values where applicable – were deducted from the available Performance Linked Fee for the relevant 6 month period.

The existing Performance Linked Fee has now been replaced with a new Abatement Regime administered under the new Contract with Serco Australia Pty Ltd.

The Contract with Serco provides for an Abatement Regime that covers Key Performance Areas (Specified Events) as well as contractual and operational service failures by the Contractor (Performance Failures). The Contractor can be abated for failing to meet a Key Performance Indicator (KPI), by being charged a fixed abatement amount in dollars, or by accumulating Abatement Points that are then converted into a dollar amount – which is calculated as a percentage of the monthly service fee. The precise amount depends on the type and severity of the failure.

The Contractor was afforded an Abatement waive period for the first three months of the Contract in respect of Performance Failures. This was to allow a smooth transition period, but did not apply to more serious specified event failures.

Failures not remedied within a given timeframe are abated again until rectified. Repeat failures over consecutive months increase the abatement points through a 'multiplier effect'.

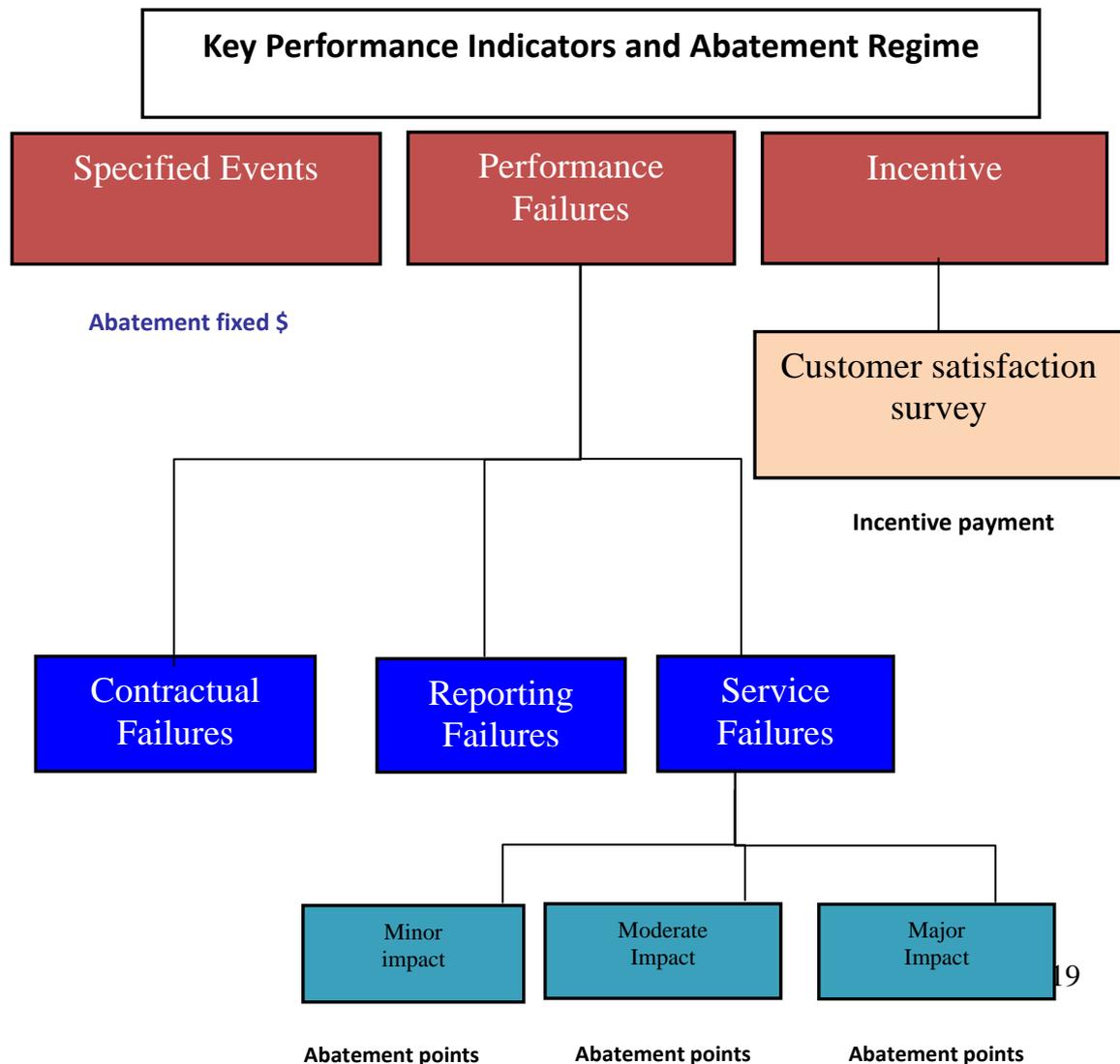
Given the Contract is based upon 100% service provision, this system ensures a strong focus on delivering services to a high standard.

Persistent poor performance may lead to a Performance Improvement Notice being issued. This is managed in a manner that encourages a particular performance lapse to be promptly remedied. Non-compliance with a Performance Improvement Notice carries a \$25,000 maximum penalty.

During the period of August 2011 to June 2012 (period of Serco's operation of the Contract) they were abated for 60 Specified Event Failures and 70 Performance Failures relative to over 32,000 individual prisoner movements and 6,600 court sitting days across the State. This resulted in \$580,000 abatement dollars.

A further support to the maintenance of a high standard of Contractor delivery of Services is the Customer Satisfaction Survey. Through the use of this mechanism, the Contractor may be rewarded with an Incentive Payment.

**Chart 2. Abatement Regime and Key Performance Indicators**



### **c. Customer Satisfaction Survey**

Good performance and sound relationship management in the operation of the Court Security and Custodial Services Contract is measured by the Customer Satisfaction Survey. Through the use of this mechanism, the Contractor may be rewarded with an incentive payment.

The survey measures the Contractor's performance with regard to establishing and maintaining effective relationships with the Client Agencies to ensure effective delivery of the services and the transitional services to the Principal.

The Contractor's performance will be subject to regular measurement through customer satisfaction reviews based on the achievement of specific service objectives.

On completion of the first survey, conducted in May 2012, the Contractor, Serco, achieved a Customer Satisfaction Measurement of 52.6%.

## **8. TRAINING**

### **8.1 Improved Training of Contract Workers**

A focus of the new Contract is on the requirement for a higher level of training of Contract workers. In this regard, the Contract requires all employees to have successfully completed a Certificate III in Correctional Services in their first year of employment and, for Supervisors, a Certificate IV in their first year of employment. The Department carries out external audits of the Contractor's training regime and the issuing of permits to undertake high-level security work – will determine the employment of Contract workers having achieved the required certification.

Serco is a Registered Training Organisation and, as such, provides training and assessment to all Contract workers.

### **8.2 Training Audit**

In January 2012, the Department engaged an independent consultant to undertake a review of Serco's training regime. The scope was to review the material content and training regime in relation to its compliance in satisfying the Ward Coronial Inquiry recommendations 13 and 14, relating to training. [During 2009, a Coronial Inquiry was carried out into the tragic death in January 2008 of a respected aboriginal elder who died in custody whilst being transported by G4S between Laverton Police Station and the Eastern Goldfield Regional Prison.]

The Department's annual review of Serco's training is to be conducted at the conclusion of each service year.

In summary, the review found that Serco has a sound strategy for the teaching of duty of care. The approach adopted encourages the transfer of conceptual knowledge to everyday practices that satisfy the requirements of Recommendation 13. In addition, Serco's training and assessment materials demonstrate that Recommendation 14 of the Inquiry is being appropriately addressed.

Court Security and Custodial Services Monitors undertake a review of individual contract worker's training currency as part of the Process Review Regime.

## **9. CONTRACT REVIEWS**

In addition to the contract reviews for compliance, as outlined in section 7.1 Monitoring of Services, several other major contract reviews were undertaken.

This Annual Report outlines the reviews being carried out into a range of contractual activities aimed at securing increased efficiencies in service provision. Importantly, the Department is cognisant of the fact that these efficiencies must be achieved while also providing a safe and humane service.

### **9.1 Review of Contractor's Operational Instructions**

The annual review of the Contractor's Operational Instructions has commenced with Departmental staff working closely with Serco to ensure that all instructions comply with policy and legislation, and meet all service requirements and contractual responsibilities.

Several contract reviews were undertaken during Serco's tenure.

- A Review for Provision of Services for the anticipated Broome/West Kimberley Regional Prison.

The Court Security and Custodial Services Contract will be expanded to include the provision of prisoner transport services to the West Kimberley Regional Prison. Prisoners will be transported to and from the prison and also to and from Derby Court which sits fortnightly.

This review resulted in a contract variation to provide for an additional pricing table for these services. Pricing Table 18, Inter-prison transfers between Broome Regional Prison and the new West Kimberley Regional Prison.

The service provides for inter-prison transfers combined with a Derby Court transfer and clearance. Serco is to provide the services with two full-time employees (FTE's) and one secure vehicle operating out of Broome. The resources will complement the Broome services when not used for the Broome to Derby inter-prison services.

- Regional Transport Services

Regional medicals, funerals and other escorts above 50kms in distance were also reviewed with variations taking place to the relevant Pricing Table.

The variation removes all fixed prices from the Pricing Table (monthly fee \$85,697) for regional transport services that are greater than 50kms and replaces these with one fixed price of \$23,813 to secure human and vehicle resources. All escort services required by the Department that are above 50kms, including funerals, are sourced using the additional services Pricing Table. The \$23,813 fixed price component is included in the price of any service sought by the Department where a human or secure vehicle resource is used, until it is exhausted. This has resulted in a \$500,000 savings associated with funerals.

- Additional escorts and transport services requiring commercial or air charter flights or coach charter.

This Pricing Table has been amended to enable the Department to access transport services for regional transport (commercial and air charter flights and coach hire) on a cost plus basis, therefore providing for better value for money outcomes for ad hoc inter-prison, medical, funerals and other transfers as required.

It is the Department's intention to use this Pricing Table to undertake more escorts for the same price as was previously part of the fixed price, and also funeral savings can be realised due to the Department managing the discretionary funding for ad hoc service requests.

## 10. ACHIEVEMENTS 2011/12

The 2011/12 service year was characterised by transition, both at the strategic level with a complete change of Contractor, and at the operational level with the refinements resulting from the review and overhaul of the Contract itself. This, in turn, flowed through to a raft of operational modifications and improvements that commenced during this reporting period.

Major achievements secured during 2011/12 were:

- The smooth transition of Contract from G4S Custodial Services to Serco Australia Pty Ltd. This includes the following being implemented:
  - The overhaul of service design, governance, performance objectives, and the sourcing of services;
  - Improved duty of care considerations;
  - A Contract with an online information system for the accurate collection and sharing of data;
  - Improved information for tracking persons in custody;
  - Improved provision of intelligence, including health or 'at risk' information.
- The successful transfer of the Secure Vehicle Fleet from the State to the Contractor.
- The establishment of the Canningvale Purpose-built Base. The move from Hakea to a purpose-built facility for vehicles and staff has been completed. This has resulted in improving the efficiency of operations.
- Improvements to the training of staff, including the requirement that staff receive training to at least Certificate III level.
- Increased staff numbers with permits for high level security work.
- The Broome to West Kimberley Regional Prison inter-prison transportation variation. A variation to the Contract for the provision of a prisoner transportation service between the Broome Regional Prison and the new West Kimberley Regional Prison has been negotiated to commence as of 1 October, 2012. The service will provide for the inter-prison transportation of female and male prisoners from Broome Regional Prison to West Kimberley Regional Prison. Each alternate week will include transfers from Broome Regional Prison via West Kimberley Regional Prison to the Derby Court house.
- Regional Police Station Hubs – 24 hour Lock-up Clearances. The previous 72 hour clearance system has been successfully replaced by 24 hour clearances.

- Broome to Wyndham and Return, Work Camp Transfers. A variation to the Contract for provision of a prisoner transportation service between the Broome Regional Prison and the Wyndham Work Camp has been negotiated to commence on 6 August 2012. The Contractor will provide, when feasible, an additional prisoner transport service between Broome Regional Prison and Wyndham Work Camp for up to two prisoners as a deviation to its currently contracted Kununurra lock-up clearance. This service will be integrated with the current lock-up clearance to and from Kununurra, thus streamlining the transportation of prisoners in the Kimberley region.
- Regional Transport Pricing Table Variations for more efficient Long Distance Movements. Negotiations were carried out to amend the Pricing Table to enable the Department to improve services for regional transport (commercial and air charter flights and coach hire) on a cost-plus basis. This provides better value-for-money for *ad hoc* inter-prison, medical, funerals and other transfers as required.

It was the Department's intention to be able to use this Pricing Table to undertake more escorts for the same price (as was previously part of the fixed price service). In addition, funeral movement savings could be made due to the Department managing the discretionary funding for *ad hoc* service requests. This will take effect from 1 September 2012.

- Changes to the Funeral Policy for Regionally Located Funerals. The variation removes all fixed prices from the Pricing Table (monthly fee \$85,697) for regional transport services that are greater than 50kms. It replaces these with one fixed price of \$23,813 for standby staff and vehicle resources. All escort services required by the Department that are above 50kms, including funerals, are sourced using the additional services Pricing Table. The \$23,813 fixed price component is included in the price of any service sought by the Department where a human resource, or secure vehicle resource is used, until it is exhausted. This will take effect from 1 September 2012.
- An overall reduction in movements has been achieved (use of AV for approximately 11,000 individual uses), resulting in particular benefits to the regional areas.
- Improved use of new technologies to reduce unnecessary transport of persons in custody (audio-visual and video link) for court appearances.

## **11. CHALLENGES FOR 2012/13 – THE YEAR AHEAD**

### **11.1 Special Purpose Vehicle for Medical Escorts**

Serco has engaged a specialist secure vehicle business contractor for a purpose-built vehicle to be converted for the transportation of disabled or special care prisoners throughout the metropolitan area. This will be a secure vehicle that will provide an improved service on the current system of using taxis and ambulances.

## **11.2 Northbridge Police Complex**

The East Perth Watch House will be closing in early 2013. It is envisaged the new Northbridge Police Complex will be operational in April 2013. The complex will include a court room where proceedings will be undertaken six days a week. Serco will be providing all court security and custodial services to this court.

Benefits will include the reduction in transport of persons in custody from the East Perth Watch House to outer metropolitan courts and police stations. Furthermore, vehicles that were providing the service will now be available to be used elsewhere to improve the general delivery of services in this area.

## **11.3 Prisoner Transport Services to the West Kimberley Regional Prison**

The Court Security and Custodial Services Contract will be expanded to include the provision of prisoner transport services to the West Kimberley Regional Prison. This facility is expected to open in late 2012.

Prisoners will be transported to and from the prison, and also from the Derby Court that sits fortnightly. This service will take effect from 1 October, 2012.

## **11.4 Review of Hospital Sits**

The Department, in collaboration with Serco, will be reviewing metropolitan and regional Hospital Sits during 2012/13. It is anticipated that increased metropolitan demand will be offset by a reduction in contracted Hospital Sits in the regions.

## **12. CONCLUSION**

During the service year 2011/12, Serco Australia Pty Ltd delivered the services required by the Court Security and Custodial Services Contract to the levels expected by the State.

The service year was characterised by change, consolidation, and significant contractual improvements. The Department oversaw the smooth transition of the Contract from G4S Custodial Services to Serco Australia Pty Ltd, a process that was undertaken without incident.

The new Contract has a greater focus on carrying out services within set timeframes, but also in a way that ensures prisoners are treated in a humane manner that is ethical and sensitive to differing cultural needs. Within its improved governance framework, it sets high standards for safe and secure transport and court services, smooth-running courts and efficient processing of offenders and detainees. It requires services to be timely and reliable. It is now a built-in requirement that duty of care – at every level of service – needs to be of the highest quality. At the same time, service provision must provide value-for-money to the State. The Contract ensures service provision is carried out in an open and transparent manner, but in such a way as to maintain community safety.

The challenge will be to continue the drive for improved efficiencies in the implementation of the new Contract. The initiatives put in place for 2012/13 will be resourced and monitored to ensure their success. At the same time, efforts will be made to encourage innovation and foster collaborative relationships between all

relevant agencies affected by the Contract. The Department looks forward to continuing its working relationship with the new Contractor, Serco Australia Pty Ltd, in ensuring the Contract is administered to the standards expected by Government and the people of Western Australia.