Annual Report
2013-2014

Wandoo Reintegration Facility
(Young Adults Facility Contract)

Annual Report covering the operation of the Wandoo Reintegration Facility from 1 July 2013 to 30 June 2014
TO THE HON JOE FRANCIS MLA  
MINISTER FOR CORRECTIVE SERVICES

In accordance with section 15G of the Prisons Act 1981, I hereby submit for your information and presentation to Parliament, the Annual Report of the Young Adult Facility Contract for the year ended 30 June 2014.

This report presents an overview of services provided by Serco Australia Pty Ltd under the contract for the operation and maintenance of the Wandoo Reintegration Facility.

James McMahon  
Commissioner  
30 September 2014

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From the Commissioner

Wandoo is the first facility in Western Australia dedicated to addressing the specific needs of young male offenders (18-24 year olds).

The facility is operated by Serco under the Young Adult Facility Contract (Wandoo Reintegration Facility), is showing very good signs of success in re-integrating young male offenders into the community. This will contribute to one of the Department’s key tasks of rehabilitating prisoners and one of our key performance measures, recidivism.

While it remains early in terms of Wandoo’s operation, it is evident that since its establishment, no young men released after a period of at least three months in the facility have gone on to cause further harm to the community. This statistic along warrants the continuation of the Wandoo model and, as such, the Department is working on a variation to the contract to increase the range of prisoners eligible for placement at Wandoo and the suite of services it offers to those in its care.

The most compelling performance indicator for Wandoo continues to be the number of prisoners leaving the facility with a job or an enrolment in education or training. Employment is one of the major predictors of recidivism and, if Wandoo can continue to address this issue positively, it will provide value for money and a multitude of benefits to the wider community.

As the first facility of its kind in Western Australia, the Department looks forward to Wandoo providing an opportunity to pilot innovative offender management models and practices, and presenting a world’s best practice example of the management of young adult male offenders.

James McMahon
Commissioner
Executive Summary

Wandoo is a minimum security facility for 18-24 year old male offenders. It is located in Murdoch at the site of what was previously the Rangeview Remand Centre. The concept originated from a 2009 Government election commitment that focused on the need to deliver targeted services to the 18-24 year old prisoner cohort. A particular focus was to be placed on reducing reoffending, and facilitating reintegration into the community.

Wandoo is the second privately operated prison to be established in Western Australia. The Contract for the operation and maintenance of the Young Adults Facility was awarded to Serco Australia Pty Ltd in March 2012, and commenced services in November 2012. The Contract is for the operation and maintenance of the facility, however, the land and buildings constituting the site remain a publicly owned asset. The site was gazetted as a prison under the Prisons Act 1981 in October 2012.

Wandoo continues to have a strong focus on individual case management, in partnership with Mission Australia, which begins on arrival and extends to post-release support in the community.

To facilitate this, the Wandoo service is delivered in partnership with Mission Australia to provide:

- 3 months post-release support in the community;
- ongoing assistance with work opportunities;
- strengthening of family connections; and,
- the linking of young men with other support services in the community.

Wandoo has continued to operate on principles of Restorative Justice, whereby all offenders are made aware of the harm resulting from their offending. Engagement in reparation activities to ‘pay back’ the community for harm caused is encouraged. Additionally, Wandoo recognises its responsibility in providing goals and strategies that support Aboriginal prisoners to achieve responsible, law abiding lifestyles as citizens who are strong in their culture and role models for other young Aboriginal men.

Since Wandoo’s inaugural report 2012/13, the Department has experienced difficulties in placing enough prisoners at Wandoo to make full use of the facility. A number of strategies have been put in place to address this issue, however, minimal improvements have as yet been secured. The Department is currently looking at more significant changes, such as amendments to the age range and provision of additional clinical programs, to enable Wandoo to reach its Operational Capacity of 79 inmates.

While Wandoo has been underutilised in terms of operational capacity it has delivered the expected benefits for those prisoners it has housed. During the year, 99% of prisoners were released to employment or full time study, and
100% into accommodation. These are two factors that are recognised as being critical to assisting in the prevention of reoffending.

Key achievements for the 2013/14 financial year include:

- Substantial compliance with the Contract, demonstrated by a very high level of performance against Performance Linked Fees, and an acceptable amount of Performance Improvement Requests and Abatements.

- Outstanding partnership with a range of private sector companies and industry to improve the outcomes for prisoners.

- Ongoing individualised case management processes tailored to the reintegration needs of the Wandoo Age Cohort (18-24 years).

This Annual Report is divided into the following five sections:

- Section One. **Offering Value** – will outline those areas of the Contract where the State can obtain value for money in the expenditure of public funds.

- Section Two. **Quality Services** – will focus on the range and quality of services provided by the Contractor and its performance against Key Performance Measures.

- Section Three. **Transparent and Accountable Operations** – will provide a description of the probity, accountability and transparency in procurement operations.

- Section Four. **System-wide Learning** – will look at a number of initiatives developed by the Contractor and their applicability to other State public prisons.

- Section Five. **Future Initiatives: The Year Ahead** – will look to the next reporting period and potential opportunities for improvement in the governance and management of the Contract.
Section 1: Offering Value

1.1 Prison Population and Contract Payment

The table below identifies the actual daily average population (DAP) for the period 2013/14.

<table>
<thead>
<tr>
<th>Month</th>
<th>Indigenous</th>
<th>Indigenous % of Total DAP</th>
<th>Non-Indigenous</th>
<th>Total DAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>9</td>
<td>20.00%</td>
<td>36</td>
<td>45</td>
</tr>
<tr>
<td>August</td>
<td>10</td>
<td>21.74%</td>
<td>38</td>
<td>46</td>
</tr>
<tr>
<td>September</td>
<td>9</td>
<td>20.00%</td>
<td>36</td>
<td>45</td>
</tr>
<tr>
<td>October</td>
<td>10</td>
<td>23.26%</td>
<td>33</td>
<td>43</td>
</tr>
<tr>
<td>November</td>
<td>14</td>
<td>28.57%</td>
<td>35</td>
<td>49</td>
</tr>
<tr>
<td>December</td>
<td>14</td>
<td>27.45%</td>
<td>37</td>
<td>51</td>
</tr>
<tr>
<td>January</td>
<td>13</td>
<td>27.66%</td>
<td>34</td>
<td>47</td>
</tr>
<tr>
<td>February</td>
<td>13</td>
<td>27.66%</td>
<td>34</td>
<td>47</td>
</tr>
<tr>
<td>March</td>
<td>14</td>
<td>28.57%</td>
<td>35</td>
<td>49</td>
</tr>
<tr>
<td>April</td>
<td>17</td>
<td>34.00%</td>
<td>33</td>
<td>50</td>
</tr>
<tr>
<td>May</td>
<td>18</td>
<td>34.62%</td>
<td>34</td>
<td>52</td>
</tr>
<tr>
<td>June</td>
<td>18</td>
<td>32.14%</td>
<td>38</td>
<td>56</td>
</tr>
</tbody>
</table>

Note: Numbers provided by the Department’s reporting portal.

During the 2013/14 year there was considerable difficulty in fully utilising the Wandoo facility. The small cohort within the wider system meant that the Department was unable to place enough prisoners at Wandoo to reach its operational capacity of 79 inmates. A maximum of 59 prisoners were held at Wandoo during the reporting period. This had an impact on the value for money that the Department was able to achieve (further information below).

Schedule 3 (Payment Mechanism) of the Contract outlines the structure for contract payments. Monthly payments are calculated on the Daily Average Population (DAP) of the facility per month, with a transition DAP structure in place until the population reaches 48 prisoners, and an operational DAP commencing at 48 prisoners and increasing in bands of 6 prisoners.

<table>
<thead>
<tr>
<th>End of Financial Year Results</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young Adults Facility Contract</td>
<td>$12,230,545</td>
<td>$11,485,144</td>
<td>$745,401</td>
</tr>
<tr>
<td>Monthly Service Fee</td>
<td>$11,503,545</td>
<td>$10,759,801</td>
<td>$743,744</td>
</tr>
<tr>
<td>Maintenance Services</td>
<td>$727,000</td>
<td>$725,343</td>
<td>$1,657</td>
</tr>
</tbody>
</table>
The surplus of $743,744 was due to Wandoo not reaching its full operational capacity of 79, thereby reducing the payments that were due to Serco under the Contact.

The cost associated with the contract management of the Young Adults Facility Contract is calculated at $434,180 and includes wages and superannuation of the Contract Management Branch and Monitoring Officers.

With a population of 48, Wandoo has a daily cost of $614 per prisoner per day\(^1\). At a full capacity of 79 prisoners, the cost drops to $373 per prisoner per day. The Department is currently finalising arrangements with the Contractor Serco to amend the entry criteria, thus increasing the number of offenders that can be accommodated and increasing the value for money that can be achieved.

1.2 Lifecycle Services (Maintenance) Fee

The Contract contains a mechanism within Schedule 3 (Payment Mechanism), to deposit monies associated with the Lifecycle Services Fee (LSF) into a Trust Account held in the name of Serco Australia, and operated by two signatories, one nominated by the Principal and the other nominated by the Contractor.

The LSF is a ‘flattened’ figure based on a 15 year Lifecycle Services Plan for the Wandoo site. The flattened figure is deposited into the Trust Account and the budgeted amount withdrawn by the Contractor in order to carry out lifecycle replacement works. A surplus will accrue over the Contract years to accommodate significant lifecycle replacement costs in year 8 of the Contract. This is consistent with asset management methodologies and an asset condition appraisal undertaken at the commencement of the Contract.

The Lifecycle Services Fee is best illustrated in the following graph:

![Figure 1: LSF funding](image)

\(^1\) Cost per Prisoner per Day = Total annual expenditure Monthly Service Fee /annual average DAP / 365 i.e. $10,759,801/48/365 = $614p/day
The Lifecycle Maintenance Plan is reviewed by the Contractor in consultation with the Contracted Services Directorate on a quarterly basis, to ensure lifecycle maintenance is properly planned-for and prioritised.

In 2013/14, $618,549\textsuperscript{1} was deposited into the LSF Trust Account, in accordance with the Contract. Withdrawals for 2013/14 were made to the value of $380,096. Major maintenance works completed in this year including plumbing upgrades, glass replacement (to remove pre-existing graffiti), and a security system review focusing on ascertaining the current state of the 15 year old security systems.

\textsuperscript{1} This does not include a fee for Serco to manage the lifecycle services paid pursuant to Clause 7.2, Schedule 3 of the Contract.
Section 2: Quality Services

2.1 Operational Performance against the Key Performance Indicators
The performance of the Contractor Serco is annually assessed against specified contractual Performance Measures. The Department verifies information and statistics provided by the Contractor on the achievement of Performance Measures and scrutinises all supporting data prior to determining, and paying, the Performance Linked Fee.

The Contract contains 19 Key Performance Indicators (KPIs). Ten KPIs are Specified Events (one-off events that will attract a Contract Abatement) and nine are Performance Measures, comprising 10% of the Contract fee, measured as a percentage of a 100% baseline.

In 2013/14, seven of the nine Performance Measures were fully achieved whilst two received a Performance Linked Abatement. These were:

- KPI 13 (urinalysis testing results) was not fully achieved due to 3 prisoners testing positive to banned substances during the year.
- KPI 17 (education and training) was not fully achieved in one quarter as Serco’s quarterly education and training forecast was not provided to the Department within the required timeframe.

It should be noted that KPI 19 (customer satisfaction survey) remained under review during this year and was not completed. As no Performance Linked Abatements were applied, full payment was made with regard to this KPI. The survey will commence being used at the end of Quarter 1, 2014/15.

The results of Serco’s achievement against all the Performance Measures are identified at Appendix 1.

A review of the Performance Measures will be undertaken in 2014/15 to ensure that the revised measures are operating as planned, and are continuing to drive high level service delivery improvement.

2.2 Performance Improvement Notices
Performance Improvement Notices (PINs) are used as an improvement tool when the Department believes the Contractor has breached or failed to meet a requirement as outlined in the Contract. As a result of identifying any deficiency, the Contract provides that the State may request the Contractor to improve its performance of the services. This takes the form of a Performance Improvement Notice (PIN).

In the period 2013/14, the Contractor was issued with two PINs. These related to the following issues:

- Key and lock security (SR 3.1)
- Tool control and management (SR 4.1.8)
Key and Lock Security
On 19 July 2013, a PIN was issued in relation to security keys being accidentally removed from site. The Contractor Serco submitted a rectification plan, which included a review of their Director’s Rule and additional refresher training with staff. Since the PIN was issued performance in this area has improved to a satisfactory level.

Tool Control and Management
On 31 January 2014, a PIN was issued in relation to a number of instances of tools or equipment not being adequately accounted for and controlled. The Contractor Serco submitted a rectification plan, which included: relocating some tools to the security office; improved tool registers and logs; and additional refresher training with staff. Since the PIN was issued performance in this area has improved to a satisfactory level.

2.3 Abatements
Abatements are penalties imposed in accordance with Schedule 2 of the Contract when certain negative events occur, or where the Contractor fails to comply with a Performance Improvement Notice.

Two Abatement Amounts were applied during the 2013/14 reporting period. Both Abatements arose from one incident where two prisoners escaped custody while undertaking supervised section 95 activities. The abatements were issued in December 2013 and totalled $21,820. In addition to paying the Abatements, the Contractor Serco undertook a review of section 95 approval processes, resulting in strengthened assessment criteria.

A full summary of all Key Performance Indicators, PINs and Abatements may be found at Appendix 1.

2.4 Notable Prison Initiatives and Operations

During the year, Wandoo partnered a range of private companies and not for profit organisations to deliver reintegration services. The Red Cross, Fortescue Metals Group and Choice Industrial are examples of organisations who are engaged to provide section 95 programs, delivering vocational training, qualifications and employment opportunities both during and following incarceration. Since inception, 99% of prisoners who were at Wandoo for longer than 3 months were released directly into employment or full time education.

Vocational training courses in Warehousing, Aboriginal Education, First Aid, Construction and Occupational Health and Safety were delivered during the year.

Steel Blue and Work Force Clothing have both contributed work wear that is provided to prisoners on release. This enables prisoners to be ‘job ready’ on release. The partnership aligns well with the skills being delivered at Wandoo, with 60% of prisoners released being released into jobs in the construction sector.
Wandoo, during 2013/14, continued to lead the way in delivering Restorative Justice training and working within a Restorative Justice model.

Wandoo held a variety of key events including family days, Anzac and Easter celebrations, a ‘My Kitchen Rules’ competition, and a greyhound training program.

A number of Indigenous prison initiatives also occurred this reporting year, including NAIDOC week. The ‘Mad Bastards’ program, focusing on Aboriginal well-being and empowerment, continued to run, resulting in positive feedback from prisoners.

Sporting events featured consistently during 2013/14 and the ‘Wandoo Royalz’ team, involved in basketball at the Lakeside Recreation Centre, has secured league leadership in its division. Representatives from both the Perth Wildcats and West Coast Eagles visited the Wandoo facility to deliver coaching and motivational talks. The V-Swans football program has also continued this year.

The Section 95 activities outlined above, are approved by the Department to assist Wandoo prisoners with successful reintegration into the community. Prisoners are carefully selected to take part in these activities, such as work on sections of the Bibbulman track, training at Fairbridge Farm, and participating in football training and matches with the V-Swans Club.

A full review of the 15 year old security systems at Wandoo commenced in January 2014, and is nearing completion. The project brief highlighted the need for an asset risk assessment and review of the existing security equipment to determine the extent of the replacements required as well as the availability of spare parts. Consultancy works for the review have been funded as part of the agreed lifecycle program funding for 2014.

### 2.5 Offender Programs

In response to the lower than expected prisoner population, Wandoo commenced delivering two clinical intervention programs in 2013/14. These were ‘Pathways’, a program designed to rehabilitate people with drug and alcohol dependencies, and ‘Think First’, a cognitive skills program designed to assist offenders in dealing with real life circumstances in an appropriate manner.

The provision of these programs has increased the population at Wandoo and the Department is currently considering an option to further expand population numbers by delivering a more diverse range of programs.

### 2.6 Staffing

Wandoo Reintegration Facility has 32 custodial officers (Reintegration Officers and Unit Managers) in charge of the safety, security and case management of Residents. It has a further 32 non-custodial staff in the areas of rehabilitation, reintegration and through care, industries, health, education and vocational training, and management and administration. A partnership with Mission
Australia provides an additional three case workers who work with Wandoo offenders both in the facility and for three months post release.

The Contractor has attained a staff retention figure of 83% this reporting period, which is the first complete year of operation for Wandoo. This result is reasonable given the contract is a ‘green fields’ start up, and is undergoing a ‘stabilising phase’ during the reporting period.

Serco met its Performance Measure relating to critical staffing roles in every month during the reporting period, demonstrating its sustained commitment to appropriate staffing levels.

Serco continued to undertake staff training in security, engaging young adult offenders, mental health first aid, cultural awareness, and specialist motivational interviewing skills, as required under the Contract.
Section 3: Transparent and Accountable Operations

3.1 Contract Management
The Contract operates under a clearly defined governance framework that is overseen by a Custodial Contracts 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 includes internal representatives, external stakeholders and the Contractor Serco. 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; and,
- provide a forum for co-ordination of relevant budget processes and ensure that planning priorities inform the budget process.

The Monitoring Team at Wandoo plays a key role in maintaining the delivery of quality services in line with Contract requirements. Areas for monitoring are based on contractual requirements, legislation, and Departmental policies. The daily activities of the Contractor are appraised by the Monitoring Team to ensure performance is in accordance with Contract requirements and Departmental expectations.

Compliance tests are undertaken in key areas of operations, including:

- Rehabilitation and Reintegration;
- Care and Wellbeing;
- Custody and Containment; and,
- Business Services.

3.2 Independent Reviews
The Contractor’s operations at Wandoo are subject to a range of reviews by external agencies. During this reporting period, reviews included:

Office of the Inspector of Custodial Services (OICS)
OICS conducted its inaugural Announced Inspection in May 2014. The Department is currently awaiting the resulting draft report from the Office of the Inspector of Custodial Services.

Independent Visitors Scheme (IVS)
The IVS is managed by the Office of the Inspector of Custodial Services. It is an independent form of external scrutiny that monitors the standards of treatment and services to prisoners in Western Australian prisons.

During the 2013/14 period, the IVS undertook 10 visits to the Wandoo facility. Overall, the feedback from IVS was very positive. Issues raised by prisoners
with IVS included facility and infrastructure, complaints over food portion sizes, and waiting times to access telephones.

**Aboriginal Visitors Scheme (AVS)**
The AVS is a State-wide service, funded by the Department of Corrective Services and provided to all Aboriginal prisoners in Western Australia.

During the 2013/14 period, the AVS attended Wandoo on one occasion and spoke with detainees. No issues of concern were raised.

**Quality Assurance Audit**
The Wandoo Contracted Services Directorate underwent a quality audit (ISO 9001 Quality Management Systems) with SAI Global in July 2013 and was certified to the ANZ standard. This qualification recognises that policies, and continual improvement processes within the Contracted Services Directorate, are sound and in accordance with national standards.
Section 4: System-wide Learning

Wandoo has continued to apply a Restorative Justice Framework throughout its operations. This framework and training has been delivered at the Banksia Hill Detention Centre, with a view to extending the benefits of this Framework into the public estate.

Wendy Sinclair, Director Wandoo, attended Banksia Hill Detention Centre (BHDC) on a number of occasions this year delivering and facilitating seminars on youth justice philosophy. She also delivered a lecture to the senior management team on her approach to overcoming similar challenges to those currently faced at the Banksia Hill Detention Centre.

System-wide learning was facilitated through attendance of the Wandoo Director at Superintendents’ Conferences and other collaborative forums. This provided an opportunity for the two-way exchange of information and ideas between the publicly and privately operated prisons.
The 2013/14 reporting year was a period of consolidation and development.

The year ahead 2014/15 will focus on:

- Successfully bringing the population of Wandoo to capacity (79 prisoners). The Department will be implementing further initiatives to ensure that this is achieved.

- Completing a Benefits Realisation process set up during the project phase of Wandoo, which will objectively determine whether the proposed benefits of Wandoo are being achieved.

- Reviewing and responding to the inaugural Office of the Inspector of Custodial Services inspection.

- Further expanding the scope of training and employment opportunities offered at Wandoo, including how the Wandoo model could be utilised across the Department, both in adult and juvenile facilities.